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OS
ESERVE

Fats and Oils Situation

Economics, Statistics,
and Cooperatives Service

U.S. Department of
Agriculture

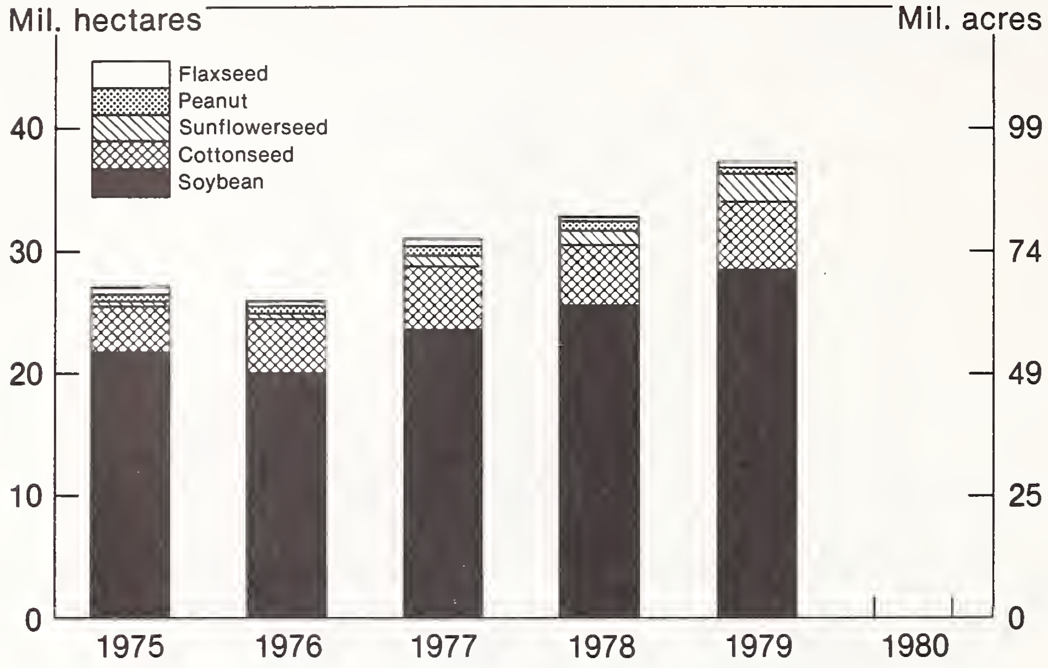
Approved by the
World Food and
Agricultural Outlook
and Situation Board

FOS-297

OCTOBER
1979

RARY
15 '79
SECTION
RECORDS

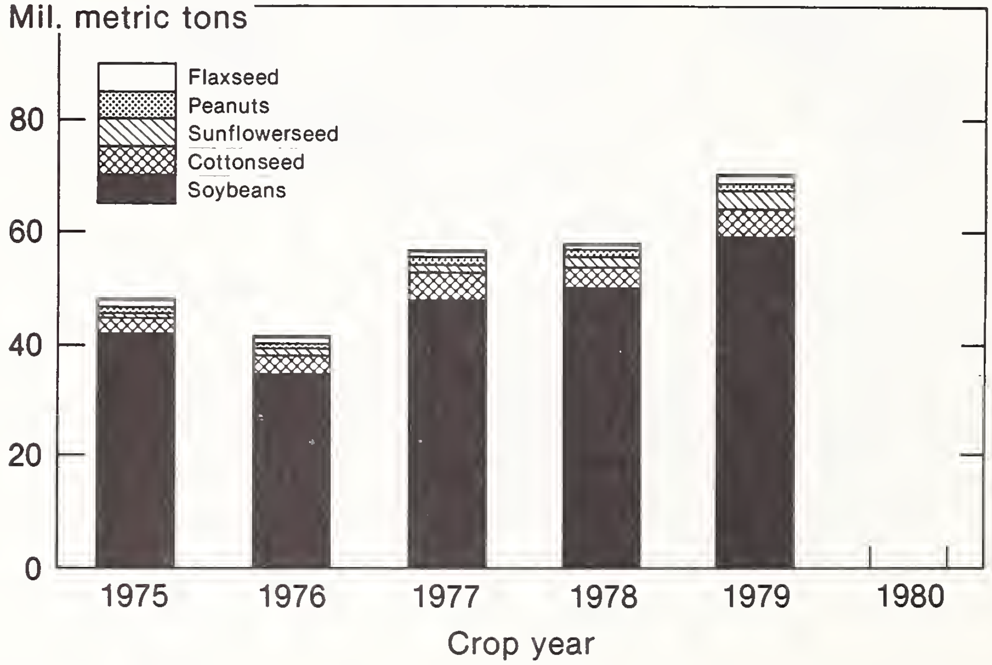
U.S. Oilseed Area Harvested



USDA

Neg. ESCS 152-79 (9)

U.S. Oilseed Production



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and Summary released October 18, 1979

SUMMARY

The U.S. outlook for 1979 oilseed crops now being harvested is for record high supplies, continuing strong demand both at home and overseas, a sharp buildup in carryover stocks, and farm prices averaging slightly lower than last season.

U.S. production of the five major oilseed crops in 1979/80 is estimated at a record 71 million metric tons, about a fifth above last season due to larger acreage and better yields. Soybeans make up 85 percent of the total output and about three-fourths of the 12½-million-ton increase expected this marketing year.

World oilseed production will also be record high in 1979/80—now projected at 178 million metric tons or 12 percent above 1978/79—primarily due to sharp increases in soybean and sunflowerseed production. This supply outlook is still tentative since the Southern Hemisphere crops are just now being planted. Some increase in world stocks appear likely since demand growth probably will slow in 1979/80, largely reflecting reduced economic activity and slower expansion in livestock output.

With a record U.S. soybean supply and a prospective sharp buildup in carryover stocks, soybean prices to producers probably will average around $6.25 per bushel compared with the 1978/79 season average of $6.75 per bushel. This forecast reflects the expected sharp increase in South American soybean supplies next spring and good oilseed crops in other major producing areas.

The U.S. 1979 soybean crop is placed at a record 2.21 billion bushels (60.2 million metric tons), 18 percent larger than the 1978 crop. Both acreage (70 million acres harvested) and yield (31.5 bushels per acre) are at new highs, up 11 percent and 7 percent, respectively.

Competitive U.S. prices and rising demand overseas in response to increases in livestock production in major meal-consuming countries will provide the impetus for the strong U.S. exports, particularly during the first half of the marketing year. This strong demand is bolstered by reduced supplies from South America. The United States will be the only major supplier of soybeans to the world until next spring.

The *Fats and Oils Situation* is published in
February, May, July, and October

In the United States, substantially larger pork and poultry production this fall and into 1980 will continue to provide a basis for expanded meal use. Consequently soybean crushings for 1979/80 are forecast at 1.1 billion bushels (up 7 percent) and exports are forecast at 0.8 billion bushels (up 10 percent). Based on these estimates, the U.S. soybean carryover on September 1, 1980, may rise to nearly 0.4 billion bushels or more than double the 173-million-bushel level on September 1, 1979.

The United States also will produce more cottonseed and sunflowerseed this marketing year. The 1979 cottonseed crop is estimated at 5.1 million metric tons, up 31 percent from last year. Sunflowerseed production is placed at a record high 3.7 million tons, approximately double last year's output. The development of hybrid varieties of seed along with high oil content (40 percent) has boosted the United States to second place in world sunflowerseed production next to the USSR. The United States is the world's largest sunflowerseed exporter, and this year, more than three-fourths of the U.S. sunflowerseed crop will be available for export.

U.S. production of fats and oils in 1979/80 is projected to rise to 17 million metric tons, up nearly 3 million tons or about one-fifth from last year. Most of this rise is due to larger edible vegetable oil production since animal fat production is expected to increase very little from 1978/79 levels. Growth in domestic demand for edible vegetable oils is expected to moderate in 1979/80 as the U.S. economy slows, and growth in consumption may fall below last year's above-trend growth of 8 percent.

* * * * *

INCREASED ACREAGE BOOSTS PRODUCTION

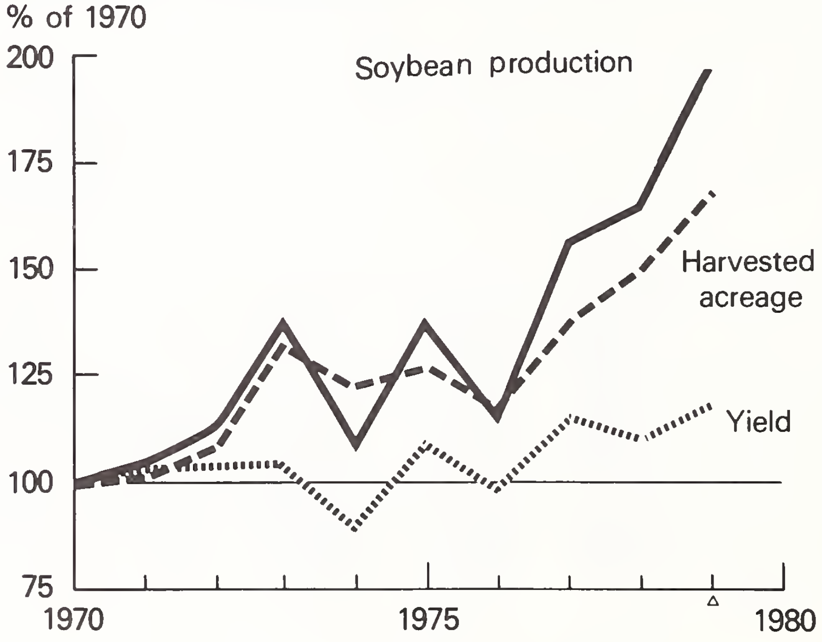
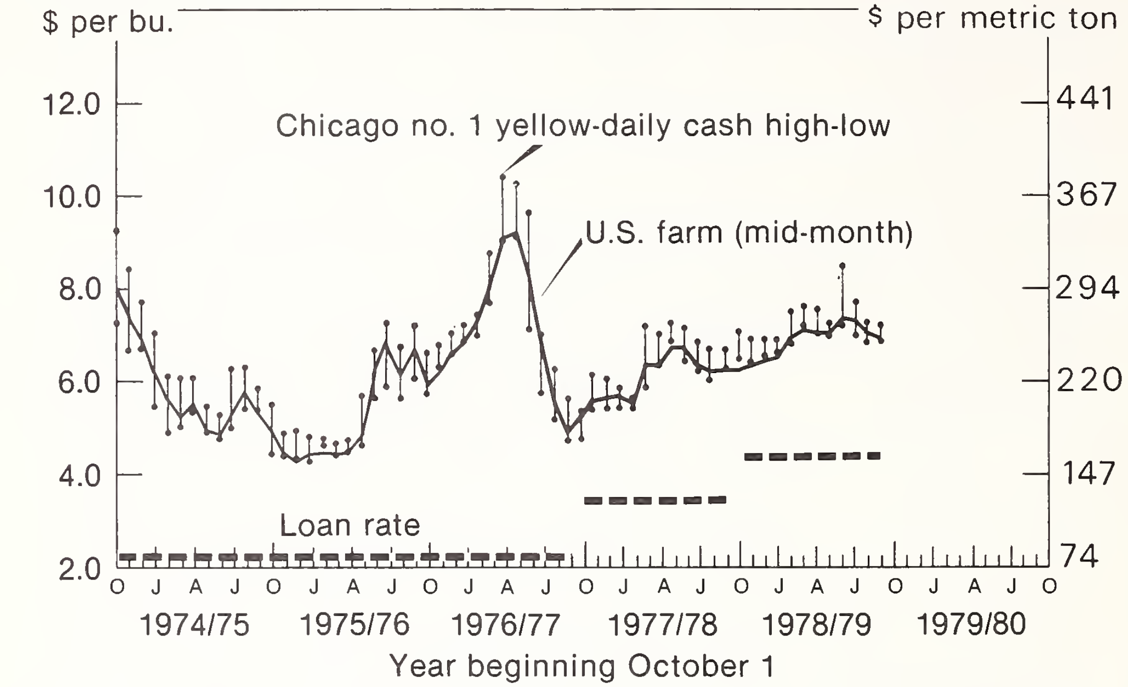


TABLE 1--OILSEEDS: ACREAGE AND PRODUCTION, 1955-79

YEAR	SOYBEAN 1/				COTTONSEED 2/				FLAXSEED				PEANUTS 1/				SUNFLOWERSEED 3/				TOTAL 5 OIL-SEEDS ACRES PLANTED
	ACREAGE		PRODUCTION		ACREAGE		PRODUCTION		ACREAGE		PRODUCTION		ACREAGE		PRODUCTION		ACREAGE		PRODUCTION		
	PLANTED	HARVESTED	PER ACRE HARVESTED	TOTAL	PLANTED	HARVESTED	PER ACRE HARVESTED	TOTAL	PLANTED	HARVESTED	PER ACRE HARVESTED	TOTAL	PLANTED	HARVESTED	PER ACRE HARVESTED	TOTAL	PLANTED	HARVESTED	PER ACRE HARVESTED	TOTAL	
	1000 ACRES		BUSHELS	MIL. BUSHELS	1000 ACRES		LBS.	1000 TONS	1000 ACRES		BUSHELS	MIL. BUSHELS	1000 ACRES		LBS.	MIL. LBS.	1000 ACRES		LBS.	MIL LBS.	MIL. ACRES
1955	19674	18620	20.1	373.7	17991	16928	714	6043	5148	4914	8.2	40.4	1832	1669	928	1548	---	---	---	---	44.7
1956	21700	20620	21.8	449.3	17 77	15615	693	5407	5786	5473	8.6	47.0	1834	1384	1161	1607	---	---	---	---	46.4
1957	21938	20857	23.2	483.4	14310	13558	680	4609	5481	4793	5.2	25.1	1746	1481	969	1435	---	---	---	---	43.5
1958	25108	23993	24.2	580.2	12379	11849	810	4798	3862	3679	10.2	37.4	1792	1516	1197	1814	---	---	---	---	43.1
1959	23349	22631	23.5	532.9	15633	15117	793	5991	3268	2932	7.2	21.2	1576	1435	1061	1523	---	---	---	---	44.0
1960	24440	23655	23.5	555.1	16080	15309	769	5886	3437	3342	9.1	30.4	1526	1395	1232	1718	---	---	---	---	45.5
1961	27787	27003	25.1	678.6	16588	15634	765	5978	2975	2514	8.8	22.2	1524	1398	1185	1657	---	---	---	---	48.9
1962	28418	27608	24.2	669.2	16293	15569	789	6139	3182	2838	11.5	32.2	1507	1410	1228	1719	---	---	---	---	49.3
1963	29462	28615	24.4	699.2	14843	14212	871	6192	3379	3172	9.8	31.	1498	1396	1391	1942	---	---	---	---	49.2
1964	31721	30793	22.8	700.9	14836	14055	888	6237	2965	2825	8.6	24.4	1487	1397	1502	2099	---	---	---	---	51.0
1965	35227	34449	24.5	845.6	14152	13613	694	6387	2868	2775	12.8	35.4	1520	1438	1661	2389	---	---	---	---	53.8
1966	37294	36546	25.4	928.5	10349	9553	829	3962	2679	2576	9.1	23.4	1490	1421	1790	2415	---	---	---	---	51.8
1967	40819	39805	24.5	976.4	9450	7997	803	3210	2061	1975	10.1	20.	1474	1404	1765	2477	---	---	---	---	53.8
1968	42265	41391	26.7	1107.0	10913	10159	913	464	2177	2092	12.9	27.0	1496	1438	1770	2546	---	---	---	---	56.9
1969	42534	41337	27.4	1133.1	11882	11051	736	4068	2661	2605	13.4	34.9	1512	1456	1742	2535	---	---	---	---	58.6
1970	43082	42249	26.7	1127.1	11945	11155	729	4068	2950	2836	10.4	29.4	1518	1469	2030	2983	---	---	---	---	59.5
1971	43476	42705	27.5	1176.1	12355	11471	739	424	1627	1545	11.8	18.2	1529	1454	2066	3035	---	---	---	---	59.0
1972	46866	45683	27.8	1270.6	14001	12984	831	5393	1169	1149	12.1	13.9	1533	1486	2203	3274	---	---	---	---	63.6
1973	56549	55667	27.8	1547.5	12480	11970	838	5016	1749	1700	9.7	16.4	1539	1496	2323	3473	---	---	---	---	72.3
1974	52479	51341	23.7	1216.3	13679	12547	719	4510	1742	1659	8.5	14.1	1520	1472	2491	3667	---	---	---	---	69.4
1975	54550	53579	28.9	1547.4	9493	8796	732	3218	1621	1511	10.3	15.6	1532	1504	2565	3857	787	709	1109	786	68.0
1976	50226	49358	26.1	1287.6	11056	10914	755	4122	1076	985	7.9	7.8	1549	1522	2465	3750	834	810	1058	857	65.3
1977	58760	57612	30.6	1761.8	13694	13275	832	5521	1410	1314	11.5	15.1	1545	1516	2457	3726	2321	2205	1252	2760	77.7
1978 4/	64383	63343	29.5	1870.2	13360	12370	690	4269	896	860	12.7	10.9	1544	1512	2639	3989	2840	2798	1377	3853	83.0
1979 5/	71454	70249	31.5	2213.3	13913	13061	858	5600	1059	1009	13.1	13.3	1549	1525	2682	4089	5600 6/	5463	1401	7656	93.6

1/ SOYBEANS AND PEANUTS PLANTED ACREAGE GROWN ALONE FOR ALL, PURPOSES. 2/ COTTON ACREAGE AND COTTONSEED PRODUCTION. 3/ FOUR STATES (MINNESOTA, NORTH DAKOTA, SOUTH DAKOTA AND TEXAS). 4/ PRELIMINARY. 5/ 1979 BASED ON OCTOBER INDICATIONS. 6/ ESTIMATE BASED ON HARVESTED ACREAGE.

Soybean Prices



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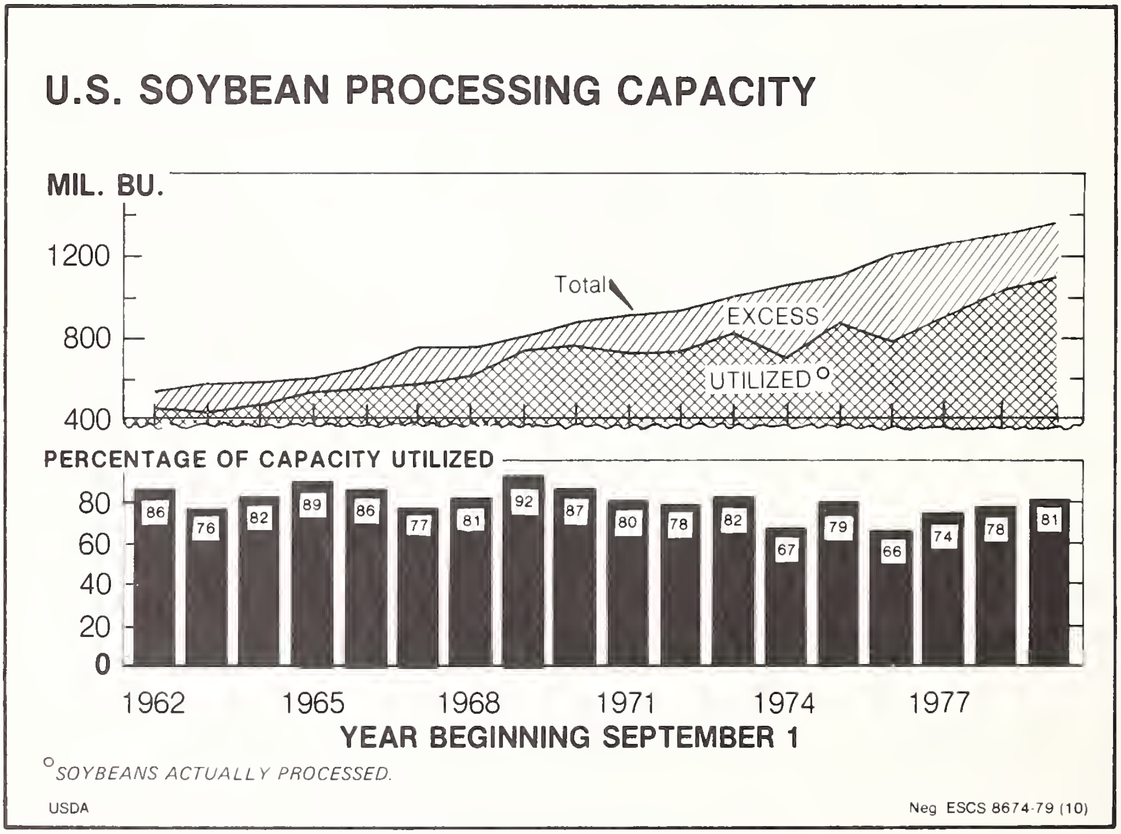


°SOYBEANS ACTUALLY PROCESSED.

USDA

Neg ESCS 8674-79 (10)

FATS AND OILS SITUATION

SITUATION AND OUTLOOK

Soybeans

Supplies Up Sharply

Increased acreage, coupled with record yields, is resulting in record U.S. soybean production this year. As of October 1, the crop was estimated at 2.21 billion bushels, up 18 percent from 1978. And with carryover stocks last September 1 at 173 million bushels, the total 1979/80 soybean supply is boosted to 2.39 billion bushels, compared with 2.03 billion in 1978/79.

Record supplies and lower prices are expected to expand total soybean use to around 2.0 billion bushels, 8 percent above last season. Both domestic crushings and exports are expected to increase in 1979/80, although not nearly as sharply as supply. Consequently, carryover stocks on September 1, 1980, are expected to rise to around 380 million bushels, more than double the level this past September.

Prices to soybean farmers in 1979/80 probably will average near $6.25 per bushel, down from the $6.75 in 1978/79. The Commodity Credit Corporation (CCC) loan rate for 1979 crop soybeans is $4.50 per bushel.

Soybean prices this fall are under pressure from the record harvest and price spreads between farm and Chicago are wider than normal, due to transportation difficulties and the wide variation in harvest pattern. With the soybean demand continuing strong, a post-harvest price rise may occur. The extent of any price rise will be influenced by the size of the 1980 South American soybean crop, and the degree to which China and the USSR enters the world market for soybeans and/or products. Much also depends upon the U.S. farmer's willingness to withhold soybeans from the market. Producers can use Commodity Credit Corporation (CCC) loans as a source of relatively low financing costs while awaiting market developments.

Crushing To Increase

Soybean crushings for the current season started September 1 are expected to total around 1,090 million bushels, compared with the 1,018 million processed in 1978/79. This rise mainly reflects the prospective increase in soybean meal feeding resulting from lower meal prices and higher hog and poultry production. The soybean crush in September was an estimated 76 million bushels, about 6 percent above September 1978.

A season's crush this size would utilize about 80 percent of the industry's 1979/80 processing capacity—now estimated at 1,350 million bushels, up slightly from last season. The industry operated at 78-percent capacity in 1978/79, near the long-term average rate.

The spot soybean processing margin (the Decatur, Illinois, cash spread between the price of soybeans and the value of oil and meal) averaged 36 cents per bushel during 1978/79 compared with 28 cents the year before. Spot margins are wider this fall, averaging 70 cents in September compared with 52 cents in September 1978.

Exports May Reach New High

Soybean exports in 1979/80 are projected at around 825 million bushels, or about a tenth more than the 753 million shipped last season. Slightly lower U.S. prices and increased meal and oil demand overseas will provide the impetus, despite prospects for increased competition from South American soybeans and meal during April-August 1980. U.S. inspections of soybeans for export are lagging year-ago levels so far this season, reflecting transportation delays and foreign buyers' expectations of lower prices.

Increased overseas demand for protein meals in 1979/80 is expected in both Western Europe and Japan as feeding of hogs and poultry continues to expand. Also, the USSR is expected to import about 1½ million metric tons of soybeans this marketing year, up slightly from 1978/79. The Soviets have become a regular importer of U.S. soybeans in recent years, reflecting improved livestock feeding practices and short sunflowerseed crops.

SOYBEAN OIL

Domestic Use Continues To increase; Exports Are Strong

Soybean oil supplies in 1979/80 are projected at about 13 billion pounds compared with 12 billion last season.

TABLE 2.--SOYBEANS: ACREAGE PLANTED, HARVESTED, AND PRODUCTION, 1976-79

STATE AND AREA	ACREAGE PLANTED				ACREAGE HARVESTED				PRODUCTION			
	1976	1977	1978 1/	1979 2/	1976	1977	1978 1/	1979 2/	1976	1977	1978 1/	1979 2/
	1,000 ACRES								MILLION BUSHELS			
NORTH CAROLINA	1,220	1,450	1,750	1,900	1,120	1,320	1,680	1,850	24.6	29.0	41.2	44.4
SOUTH CAROLINA	1,230	1,350	1,510	1,700	1,190	1,300	1,470	1,660	21.4	26.7	32.3	38.2
GEORGIA	890	1,250	1,750	2,150	870	1,090	1,680	2,050	20.4	21.8	29.4	53.3
ALABAMA	1,200	1,650	2,000	2,300	1,170	1,600	1,950	2,250	28.1	33.6	41.0	54.0
TOTAL SOUTHEAST	4,450	5,700	7,010	8,050	4,350	5,310	6,780	7,810	94.5	111.1	143.9	189.9
KENTUCKY	1,100	1,350	1,450	1,690	1,070	1,320	1,410	1,600	28.9	40.9	42.3	51.2
TENNESSEE	1,920	2,320	2,530	2,700	1,800	2,220	2,420	2,600	40.5	52.2	56.9	65.0
MISSISSIPPI	3,335	3,750	3,900	4,200	3,250	3,650	3,800	4,125	71.5	78.5	81.7	99.0
ARKANSAS	4,360	4,650	4,750	5,200	4,320	4,600	4,700	5,150	82.1	105.8	115.2	133.9
LOUISIANA	2,280	2,750	2,900	3,250	2,250	2,680	2,840	3,200	63.0	63.0	71.0	86.4
TOTAL SOUTH CENTRAL	12,995	14,820	15,530	17,040	12,690	14,470	15,170	16,675	286.0	340.4	337.1	435.5
OHIO	2,900	3,400	3,780	4,050	2,880	3,380	3,750	4,020	95.0	120.0	125.6	148.7
INDIANA	3,300	3,930	4,200	4,500	3,280	3,900	4,180	4,400	111.5	144.3	144.2	158.4
ILLINOIS	7,600	8,900	9,250	9,800	7,560	8,850	9,190	9,700	249.5	336.3	307.9	368.6
IOWA	6,470	7,100	7,600	8,200	6,450	7,080	7,550	8,150	200.0	251.3	290.7	309.7
MISSOURI	4,300	4,730	5,600	6,000	4,200	4,650	5,540	5,930	84.0	148.8	157.9	183.8
MINNESOTA	3,050	3,800	4,100	5,300	3,020	3,770	4,060	5,260	66.4	133.8	146.2	173.6
TOTAL EASTERN CORN BELT	27,620	31,860	34,530	37,850	27,390	31,630	34,270	37,460	806.4	1,134.5	1,172.5	1,342.8
NORTH DAKOTA	150	180	175	210	147	175	173	205	1.8	3.5	4.8	5.1
SOUTH DAKOTA	280	320	400	600	271	315	390	590	4.6	9.6	11.9	17.1
NEBRASKA	995	1,150	1,270	1,630	980	1,130	1,250	1,600	19.6	40.7	42.5	56.0
KANSAS	900	1,020	1,520	1,580	865	990	1,490	1,540	13.0	28.2	26.8	41.6
TOTAL WESTERN CORN BELT	2,325	2,670	3,365	4,020	2,263	2,610	3,303	3,935	39.0	82.0	86.0	119.8
ALL OTHERS 3/	2,836	3,710	3,948	4,494	2,665	3,592	3,820	4,369	61.7	93.8	130.7	125.3
UNITED STATES	50,226	58,760	64,383	71,454	49,358	57,612	63,343	70,249	1,287.6	1,761.8	1,870.2	2,213.3

1/ PRELIMINARY

2/ OCTOBER 1 INDICATIONS.

3/ NEW YORK, NEW JERSEY, PENNSYLVANIA, MICHIGAN, WISCONSIN, DELAWARE, MARYLAND, VIRGINIA, FLORIDA, OKLAHOMA, AND TEXAS.

TABLE 3.--SOYBEANS: SUPPLY, DISAPPEARANCE, ACREAGE AND PRICE, 1970-79

ITEM	YEAR BEGINNING SEPTEMBER									
	1970	1971	1972	1973	1974	1975	1976	1977	1978 1/	1979 2/
	SUPPLY AND DISAPPEARANCE (MILLION BUSHELS)									
SUPPLY:										
STOCKS, SEPTEMBER 1	229.8	98.8	72.0	59.6	170.8	185.2	244.9	102.9	161	173
IMPORTS	---	---	3/	3/	3/	---	---	---	---	---
PRODUCTION	1127.1	1176.1	1270.6	1547.5	1216.3	1547.4	1287.6	1761.8	1,870	2,213 ± 85
TOTAL SUPPLY	1356.9	1274.9	1342.6	1607.2	1387.0	1732.5	1532.5	1864.7	2,031	2,386 ± 85
DISAPPEARANCE:										
CRUSHINGS	760.1	720.5	721.8	821.3	701.3	865.1	790.2	926.7	1,018	1,090 ± 50
EXPORTS	433.8	416.9	479.4	539.1	420.7	555.1	564.1	700.5	753	825 ± 50
SEED	48.1	51.0	60.8	56.1	57.2	53.5	62.0	69.0	76	80
FEED	1.1	1.1	1.1	1.2	1.0	1.2				
RESIDUAL	15.1	13.5	19.8	18.7	21.7	12.7	13.3	7.5	11	11
TOTAL DISAPPEARANCE	1258.2	1202.9	1282.9	1436.4	1201.9	1487.6	1429.6	1703.6	1,858	2,006 ± 50
STOCKS, AUGUST 31	98.8	72.0	59.6	170.8	185.2	244.9	102.9	161.0	173	380 ± 50
	ACREAGE AND YIELD (MILLION ACRES)									
ACREAGE PLANTED	43.1	43.5	46.9	56.5	52.5	54.5	50.2	58.8	64.4	71.5
ACREAGE HARVESTED FOR BEANS	42.2	42.7	45.7	55.7	51.3	53.6	49.4	57.6	63.3	70.2
PERCENT HARVESTED (%)	97.9	98.2	97.4	98.6	97.7	98.3	98.4	98.0	98.3	98.2
	(BUSHELS)									
YIELD PER ACRE HARVESTED	26.7	27.5	27.8	27.8	23.7	28.9	26.1	30.6	29.5	31.5
	PRICE (DOLLARS)									
PRICE PER BUSHEL:										
SUPPORT (U.S. FARM BASIS) 4/	2.25	2.25	2.25	2.25	2.25	0.0	4/	3.50	4.50	4.50
RECEIVED BY FARMERS	2.85	3.03	4.37	5.68	6.64	4.92	6.81	5.88	6.75	6.25
NO.1 YELLOW, DECATUR	3.00	3.24	6.21	5.12	6.32	5.26	7.33	6.14	7.11	
NO.1 YELLOW, CHICAGO	3.05	3.29	6.27	6.12	6.33	5.25	7.36	6.11	7.09	

1/ PRELIMINARY. 2/ OCTOBER INDICATIONS. 3/ LESS THAN 500 THOUSAND BUSHELS. 4/ NO SUPPORT PROGRAM FOR 1975 SOYBEAN CROP.

TABLE 4 --ESTIMATED NUMBER OF U.S. SOYBEAN OIL MILLS AND PROCESSING CAPACITY, 1965-79

YEAR BEGINNING SEPTEMBER	PROCESSING MILLS 1/	ANNUAL PROCESSING CAPACITY				AVERAGE PER MILL	
		TOTAL 2/	UTILIZED 3/	EXCESS 4/	RATIO OF UTILIZED TO TOTAL	PROCESSING CAPACITY	CAPACITY UTILIZED 3/
	NUMBER	- - - - - - - - MILLION BUSHELS	- - - - - - -		PERCENT	- - - MILLION BUSHELS	- - -
1965	125	600	537	65	89	4.8	4.3
1966	129	650	559	91	86	5.0	4.3
1967	135	750	576	174	77	5.5	4.3
1968	134	750	606	144	81	5.6	4.5
1969	132	800	737	63	92	6.1	5.6
1970	130	875	760	115	87	6.7	5.8
1971	125	900	720	180	80	7.3	5.9
1972	117	925	722	203	78	7.9	6.2
1973	113	1,000	821	179	82	8.8	7.3
1974	108	1,050	701	349	67	9.7	6.5
1975	103	1,100	865	235	79	10.7	8.4
1976	103	1,200	790	410	66	11.7	7.7
1977	99	1,250	927	323	74	12.6	9.4
1978 5/	95	1,300	1,018	282	78	13.7	10.7
1979 6/	94	1,350	1,090	260	81	14.4	11.6

1/ ESTIMATE DEVELOPED BY ERS FROM CENSUS DATA AND TRADE DIRECTORIES. INCLUDES COTTONSEED AND OTHER OILSEED MILLS THAT PROCESS SIGNIFICANT QUANTITIES OF SOYBEANS. 2/ TRADE ESTMATES. ESTIMATES SHOWN HERE ARE APPROXIMATIONS OF CAPACITY AT THE BEGINNING OF THE MARKETING YEAR. CAPACITY FLUCTUATES DURING ANY YEAR DUE TO NEW PLANTS COMING INTO OPERATION AND ADDITIONS TO EXISTING MILLS, SOME MILLS BECOMING DORMANT (DUE TO EXPLOSIONS, FIRES, STRIKES, ETC.) AND DISMANTLING OF OLDER MILLS. 3/ SOYBEANS ACTUALLY CRUSHED. 4/ DIFFERENCE BETWEEN TOTAL CAPACITY AND SOYBEAN UTILIZED (CRUSHED). 5/ PRELIMINARY. 6/ FORECAST.

TABLE 5 --SOYBEANS: ANNUAL VALUE OF PRODUCTS PER BUSHEL OF SOYBEANS PROCESSED AND SPOT PRICE SPREAD, 1965-79

YEAR BEGINNING SEPTEMBER	VALUE OF PRODUCTS PER BUSHEL							SOYBEAN PRICE		SPREAD BETWEEN VALUE OF PRODUCTS AND SOYBEAN PRICES	
	SOYBEAN OIL			SOYBEAN MEAL			TOTAL VALUE	RECEIVED BY FARMERS 3/	NO. 1 YELLOW, ILLINOIS POINTS 4/	RECEIVED BY FARMERS	NO.1 YELLOW ILLINOIS POINTS
	YIELD 1/	PRICE 2/	VALUE	YIELD 1/	PRICE 2/	VALUE					
	POUNDS	CENTS	DOLLARS	POUNDS	CENTS	- - - - - -	- - - - - - -	- DOLLARS -	- - - - - -	- - - - - -	- - -
1965	10.59	11.9	1.26	47.53	4.02	1.91	3.17	2.54	2.91	.63	.26
1966	10.70	10.4	1.11	47.66	3.98	1.90	3.01	2.75	2.86	.26	.15
1967	10.57	8.6	.91	47.71	3.82	1.82	2.73	2.49	2.61	.24	.12
1968	10.61	8.2	.87	47.43	3.76	1.78	2.66	2.43	2.54	.23	.12
1969	10.66	11.0	1.17	47.36	3.89	1.84	3.01	2.35	2.53	.66	.48
1970	10.33	12.8	1.38	47.39	3.96	1.88	3.25	2.85	3.00	.41	.26
1971	10.98	11.5	1.26	47.43	4.36	2.07	3.33	3.03	3.24	.30	.09
1972	10.59	15.2	1.62	47.04	11.03	5.19	6.81	4.37	6.22	2.44	.59
1973	10.76	30.2	3.25	47.18	7.61	3.59	6.84	5.68	6.12	1.16	.72
1974	10.51	32.1	3.37	47.48	6.56	3.12	6.49	6.64	6.32	.34	.17
1975	10.94	18.5	2.02	47.27	7.20	3.40	5.42	4.92	5.26	.50	.16
1976	11.09	24.1	2.67	47.81	10.14	4.85	7.52	6.81	7.33	.71	.19
1977 5/	10.89	23.8	2.59	47.34	8.09	3.83	6.42	5.88	6.14	.54	.28
1978 5/	11.07	27.0	2.99	47.63	9.40	4.48	7.47	6.75	7.11	.72	.36

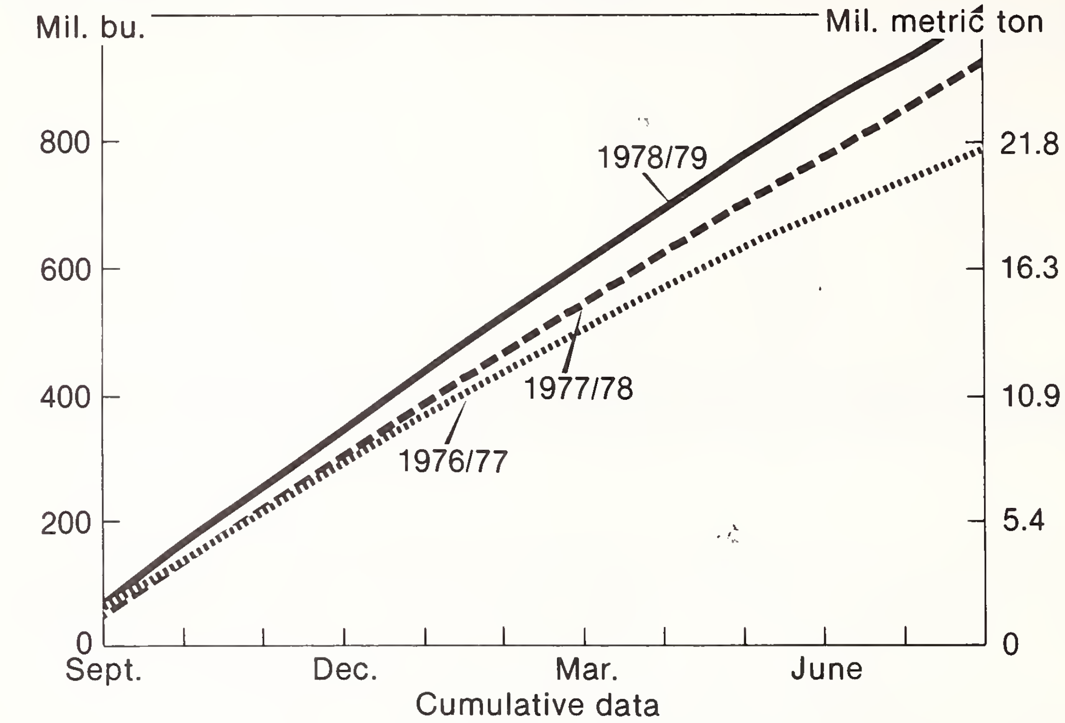
1/ ACTUAL OUTTURN OF OIL AND MEAL AS CALCULATED FROM BUREAU OF CENSUS REPORTS. 2/ SIMPLE AVERAGE OF MONTHLY CASH PRICES PER POUND USING THE FOLLOWING QUOTATIONS: SOYBEAN OIL, CRUDE, TANK CARS, F.O.B. DECATUR, ILLINOIS: SOYBEAN MEAL, BULK, 44 PERCENT PROTEIN, DECATUR, ILLINOIS. 3/ SEASON AVERAGE PRICE RECEIVED BY FARMERS WEIGHTED BY THE ESTIMATED PERCENT OF THE CROP SOLD EACH MONTH. 4/ SIMPLE AVERAGE OF MONTHLY PRICES. 5/ PRELIMINARY.

TABLE 6 --SOYBEANS: MONTHLY AVERAGE SPOT PRICE SPREAD BETWEEN SOYBEAN PRICES AND VALUE OF SOYBEAN OIL AND MEAL PER BUSHEL OF SOYBEANS PROCESSED, 1965-79 1/

YEAR BEGINNING SEPTEMBER	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	ANNUAL AVERAGE
	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - CENTS	PER BUSHEL	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - -
1965	45	51	51	27	36	27	9	11	9	13	15	25	26
1966	53	23	12	18	15	15	12	8	6	10	9	22	15
1967	52	11	12	7	8	14	11	7	6	9	15	16	12
1968	36	29	12	1	-1	4	9	4	5	7	6	22	12
1969	37	61	45	56	59	77	35	50	25	24	39	48	43
1970	47	45	36	38	25	16	15	6	10	22	26	23	26
1971	14	19	11	11	8	8	10	8	4	0	8	9	9
1972	23	28	29	100	100	70	0	-17	27	90	117	152	59
1973	143	59	53	132	91	130	41	22	30	29	58	77	72
1974	18	32	1	9	13	11	19	30	7	13	25	20	17
1975	19	34	23	16	10	12	9	6	11	15	26	18	16
1976	19	13	19	20	17	25	8	26	21	30	14	28	19
1977 2/	42	14	26	26	32	28	40	14	35	25	31	30	28
1978 2/	52	41	16	38	32	32	16	30	37	50	36	51	36
1979 2/													

1/ SPOT SPREADS ARE CALCULATED FROM SIMPLE AVERAGE MONTHLY CASH PRICES USING THE FOLLOWING QUOTATIONS: SOYBEAN PRICES, NO. 1 YELLOW, ILLINOIS POINTS; SOYBEAN OIL, CRUDE, TANK CARS, F.O.B. DECATUR, ILLINOIS; SOYBEAN MEAL, BULK, 44 PERCENT PROTEIN, DECATUR, ILLINOIS. THESE DATA DO NOT REFLECT ACTUAL OPERATING MARGINS SINCE PRICES ARE SIMPLE AVERAGES AND DO NOT TAKE INTO ACCOUNT LOCATION DIFFERENTIALS OR ACTUL PURCHASES AND SALES OF SOYBEANS, SOYBEAN OIL, AND SOYBEAN MEAL. 2/ PRELIMINARY.

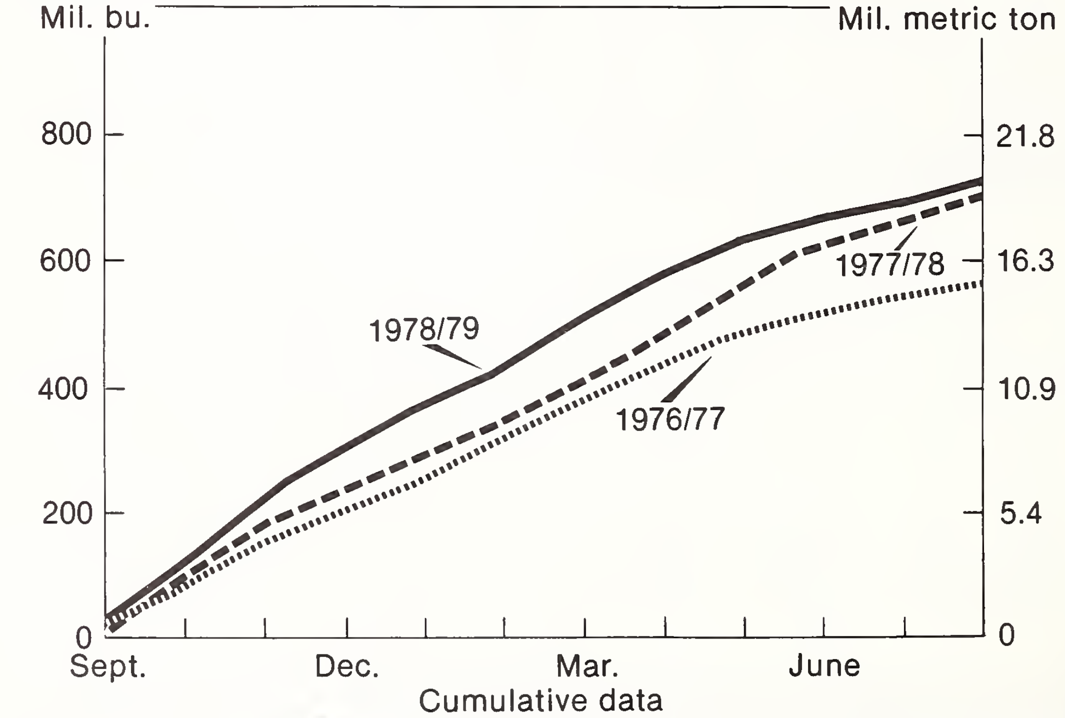
Monthly U.S. Soybean Crushings



USDA

Neg. ESCS 17-79 (10)

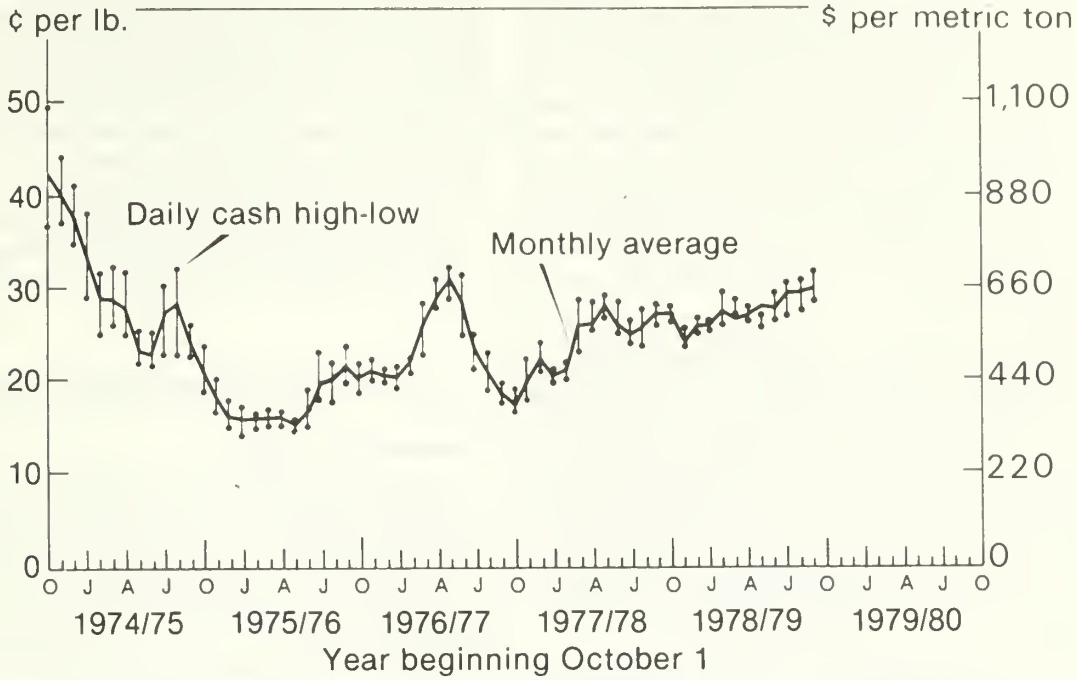
Monthly U.S. Soybean Exports



USDA

Neg. ESCS 18-79 (10)

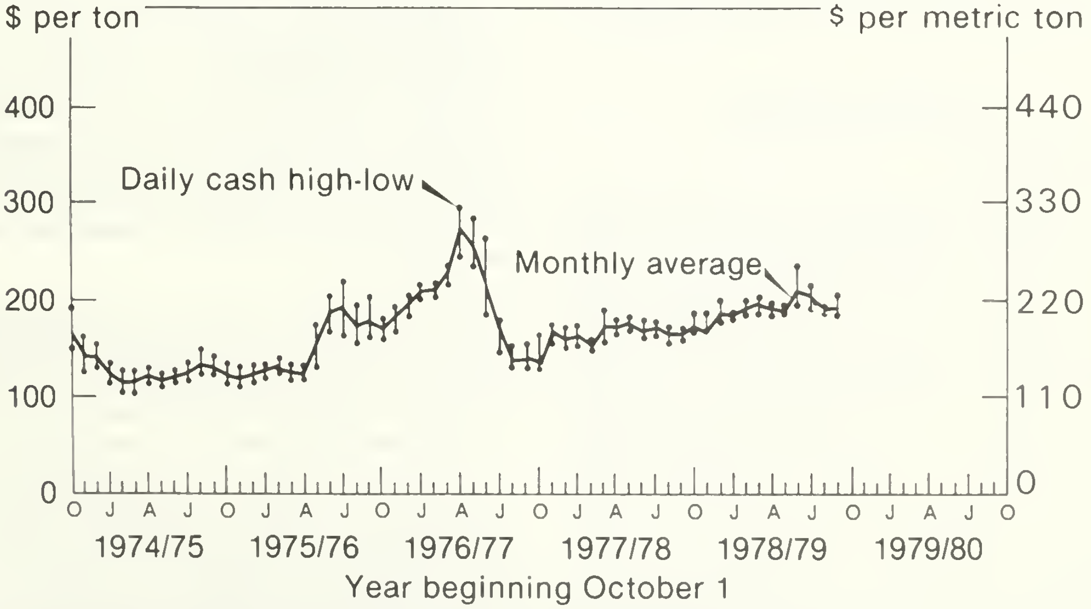
Soybean Oil Prices, Crude, Decatur



USDA

Neg. ESCS 2510-79 (10)

Soybean Meal Prices, 44% Protein, Decatur



USDA

Neg. ESCS 2694-79 (10)

Domestic use is expected to total around 9½ billion pounds, about 6 percent more than in 1978/79. Soybean oil's price advantage is the major reason for increased usage despite larger prospective supplies of cottonseed and sunflowerseed oils and lard. The domestic consumption of soybean oil has shown a strong uptrend for many years and now accounts for nearly two-thirds of all food fats and oils utilized in the United States, and over 80 percent of the edible vegetable oils. Soybean oil is the major contributing factor to the increased per capita consumption of U.S. food fats, which reached a record 57 pounds (fat content) during 1978/79.

Soybean oil exports in 1979/80 are projected at 2.2 billion pounds, down slightly from last season's record high 2.3 billion pounds. Commercial sales will continue heavy and programming under Title I, P.L. 480 will pick up. Announced sales allocations for 1979/80 are 110,000 metric tons of vegetable oils, about double the 1978/79 level, while Title II donations continue at the 100,000-ton level. Also, the export demand will be affected by the final outturn of oilseed crops in many foreign countries—especially India and Brazil.

Soybean oil prices (crude, Decatur) during the 1978/79 season averaged 27½ cents per pound, about 3 cents higher than the year before. Prices in 1979/80 are expected to average slightly lower than last season. Increased competition from other sources of vegetable oils both here and overseas will tend to check any price rise in U.S. soybean oil. Of course, any unexpected pickup in export demand from India, Brazil, China, or the USSR will provide strength to U.S. soybean oil prices.

SOYBEAN MEAL

Domestic Use Up

U.S. soybean meal supplies for 1979/80 are estimated at about 26 million short tons compared with 24.6 million last season. Domestic use of soybean meal is projected at nearly 19 million tons, some 7 percent more than in 1978/79. The increases in hog and poultry production point to heavy feeding of high-protein meal in 1979/80. Poultry accounts for 41 percent of soybean meal fed, hogs 31 percent, cattle 22 percent, and edible protein products 2 to 3 percent. While the number of cattle on feed probably will be less than in 1978/79, they likely will be finished off to heavier weights.

Soybean meal exports are estimated to total 7.0 million short tons compared with 6.6 million in 1978/79. Further increases in livestock and poultry production in a number of major meal-consuming countries is in prospect. Also, feed grain prices are likely to rise relative to protein meal prices and this will encourage additional use of protein supplement. A supporting factor also has been the decline in the U.S. dollar value against some major currencies. Over half of our meal exports are to the European Community (EC) with Japan and East Europe also ranking as large importers. The bulk of U.S. soybean meal moving abroad is in the form of unprocessed soybeans since many countries prefer to process soybeans themselves.

Soybean meal prices (44-percent protein, Decatur) in 1979/80 are expected to average slightly below the 1978/79 level of $190 per short ton.

COTTONSEED AND PRODUCTS

Production Up Sharply

Cottonseed production in 1979/80 is estimated at 5.6 million short tons, 31 percent above last season, because of larger acreage and higher yields.

Cottonseed crushing may expand to 5 million short tons compared with 4 million in 1978/79. A crush of this size will produce about 1.6 billion pounds of crude cottonseed oil and 2.3 million tons of meal.

Prices received by farmers for cottonseed during August-September averaged $123 per ton compared with $89 for the same 2 months in 1978. Carryover stocks of cottonseed on August 1 were well below the 1978 level and cotton ginnings of the 1979 crop are lagging year-earlier levels.

Cottonseed oil supplies for this 1979/80 marketing year are estimated at 1.7 billion pounds, somewhat above last year's 1.4 billion.

Domestic disappearance may increase from the 0.6-billion-pound level of 1978/79. However, large supplies of competing oils, such as soybean and sunflowerseed, will provide stiff competition. These vegetable oils compete as ingredients in the manufacture of shortening, margarine, and cooking and salad oils.

Cottonseed oil exports are expected to rise slightly above the 0.7 billion pounds shipped in 1978/79. Although world supplies of vegetable oils likely will be larger, U.S. cottonseed oil is preferred in Western Europe, South America, and Egypt and should remain competitive in these areas.

Wholesale prices for cottonseed oil (crude, Mississippi Valley) during 1979/80 probably will average slightly below the 30-cent-level of last season. The strong preference for cottonseed oil in other countries has enabled it to maintain a 2- to 3-cent premium over soybean oil, which likely will continue in the year ahead. About one-half of the U.S. cottonseed oil production has been exported in recent years.

TABLE 7.--COTTONSEED: ACREAGE, PRODUCTION AND PRICE, BY STATES AND AREAS, CROP YEARS, 1976-79

STATE AND AREA	COTTON ACREAGE HARVESTED				COTTONSEED YIELD PER ACRE HARVESTED				COTTONSEED PRODUCTION				PRICE PER TON RECEIVED BY FARMERS SEASON AVERAGE			
	1976	1977	1978	1979	1976	1977	1978	1979 1/	1976	1977	1978	1979 1/	1976	1977	1978	1979 3/
	- - - 1,000 ACRES - - -				- - - - POUNDS - - - -				- - - 1,000 TONS - - -				- - - - DOLLARS - - - -			
CALIFORNIA	1,120	1,390	1,455	1,655	1,850	1,583	[illegible]		1,036	[illegible]	824		106.00	76.00	121.00	
ARIZONA	340	557	572	658	2,041	1,598	1,574		347	445	450		[illegible]	[illegible]	[illegible]	
NEW MEXICO	64	137	123	146	906	992	[illegible]		29	68	44		102.00	66.00	125.00	
NEVADA	1	1	1	1	1,000	1,000	1,000		1	1	[illegible]		[illegible]	78.00	110.00	
TOTAL WEST	1,525	2,085	2,151	2,460	1,853	1,587	1,226		1,413	1,614	1,319		104.50	73.75	114.00	
TEXAS	4,500	6,473	6,228	6,930	565	646	476		1,271	2,089	1,483		99.00	65.00	110.00	
OKLAHOMA	335	520	585	580	400	634	488		67	165	143		105.00	63.00	[illegible]	
TOTAL SOUTHWEST	[illegible]	6,993	[illegible]	[illegible]	[illegible]	642	[illegible]		1,338	[illegible]	1,626		[illegible]	[illegible]	[illegible]	
MISSOURI	[illegible]	258	[illegible]	140	[illegible]	[illegible]	824		67	94	[illegible]		98.00	66.00	97.00	
ARKANSAS	950	930	[illegible]	600	619	860	634		294	400	[illegible]		105.00	72.50	117.00	
TENNESSEE	370	300	[illegible]	230	492	666	818		91	100	94		104.00	74.00	115.00	
MISSISSIPPI	1,470	1,360	[illegible]	1,030	279	867	908		432	610	522		107.00	77.00	123.00	
LOUISIANA	560	540	[illegible]	465	732	930	706		205	251	180		105.00	73.50	114.00	
ILLINOIS	---	---	---	---	---	---	---		---	---	---		---	--	-	
KENTUCKY	1	1	---	---	1	1	---		2/	2/	---		104.00	74.00	---	
TOTAL VALLEY	[illegible]	3,389	2,832	2,465	603	858	785		1,089	[illegible]	1,112		103.00	72.83	[illegible]	
VIRGINIA	1	1	2/	2/	1	---	---		2/	[illegible]	2/		100.00	71.00	100.00	
NORTH CAROLINA	[illegible]	83	42	46	[illegible]	458	762		25	[illegible]	16		---	65.00	115.00	
SOUTH CAROLINA	159	153	98	112	692	549	878		55	42	43		99.00	68.00	111.00	
GEORGIA	[illegible]	170	115	[illegible]	583	353	748		70	30	43		97.00	59.00	108.00	
FLORIDA	7	6	4	3	571	667	100		2	2	2		116.00	77.00	125.00	
ALABAMA	420	395	[illegible]	325	614	532	692		129	105	109		103.00	69.50	105.00	
TOTAL SOUTHEAST	898	808	[illegible]	626	626	490	742		281	198	213		103.00	68.25	110.67	
OTHER STATES	45	---	---	---	2/	---	---		1	---	1		[illegible]	[illegible]	---	
TOTAL U.S.	10,914	13,275	12,370	13,061	755	832	690	858	4,122	5,521	4,269	5,600	103.00	70.30	114.00	3/123.00

1/ Indicated October 1, based on average seed lint ratio.

2/ Less than 500 tons.

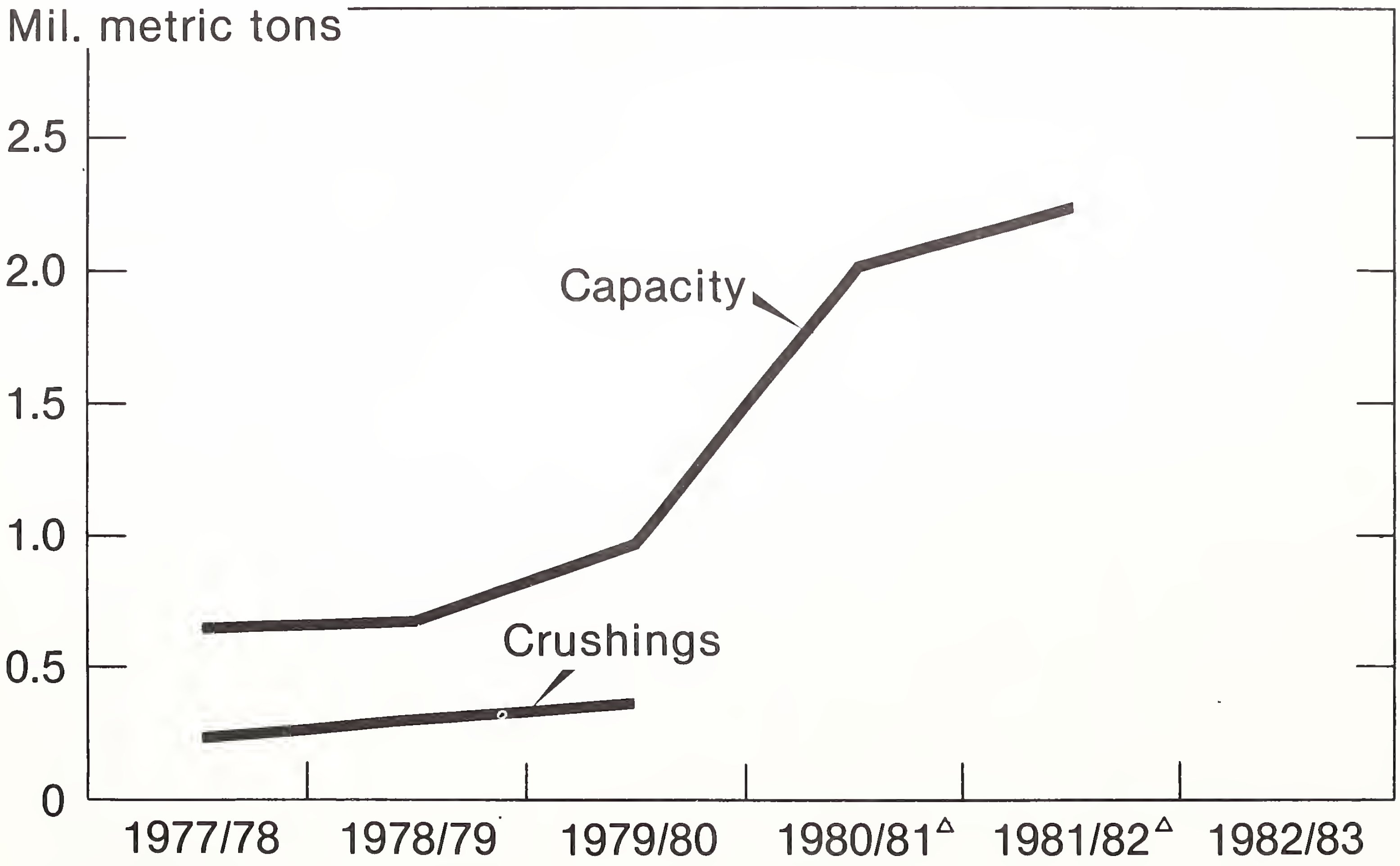
3/ August-September simple average

TABLE 8.--COTTONSEED: SUPPLY AND DISAPPEARANCE, PRICE AND VALUE OF PRODUCTS, 1970-79

ITEM	YEAR BEGINNING AUGUST									
	1970	1971	1972	1973	1974	1975	1976	1977	1978 1/	1979 2/
	SUPPLY AND DISAPPEARANCE (1,000 TONS)									
SUPPLY:										
STOCKS, AUGUST 1	80	218	235	508	479	554	202	283	816	520
IMPORTS	---	---	---	---	---	---	---	---	---	---
PRODUCTION	4,068	4,240	5,393	5,016	4,510	3,218	4,122	5,521	4,269	5,600
TOTAL SUPPLY	4,148	4,458	5,628	5,524	4,989	3,772	4,324	5,804	5,085	6,120
DISAPPEARANCE:										
CRUSHINGS	3,728	3,960	4,880	4,792	4,226	2,952	3,499	4,313	4,097	5,000
EXPORTS	39	4	10	49	7	61	52	82	18	85
SEED	163	189	173	198	128	190	181	180	175	191
RESIDUAL 3/	---	70	57	6	74	367	307	413	275	244
TOTAL DISAPPEARANCE	3,930	4,223	5,120	5,045	4,435	3,570	4,040	4,988	4,565	5,520
STOCKS, JULY 31	218	235	508	479	554	202	283	816	520	600
	PRICE (DOLLARS)									
PRICE PER TON:										
SUPPORT TO FARMERS 4/	37.00	5/	5/	5/	5/	5/	5/	5/	5/	5/
RECEIVED BY FARMERS	56.50	56.80	49.50	110.10	135.50	97.00	103.00	70.30	114.00	115.00
PRICE AND VALUE OF PRODUCTS:										
MEAL, PER TON 6/	73.50	73.90	144.80	138.00	123.00	129.99	184.97	134.96	160.97	
HULLS, PER TON 7/	23.00	26.00	21.00	32.00	42.00	64.00	50.00	37.00	110.00	
	(CENTS)									
OIL, PER POUND 8/	14.7	13.2	13.7	30.7	33.9	24.6	25.3	23.7	31.2	
LINTERS, PER POUND 9/	3.8	4.0	3.9	9.6	8.3	5.5	5.7	7.5	9.5	
	(DOLLARS)									
COMBINED VALUE 10/	94.70	89.74	120.96	186.89	189.42	166.85	189.49	160.33	221.00	
PRICE SPREAD 11/	38.20	32.94	71.46	86.79	53.92	69.85	86.49	90.03	107.00	

1/ PRELIMINARY. 2/ FORECAST BASED ON OCTOBER INDICATIONS. 3/ INCLUDES FEED, FERTILIZER, AND LOSS. 4/ PURCHASE PRICE. 5/ NO PROGRAM. 6/ 41-PERCENT, BULK, CARLOTS, MEMPHIS. 7/ CARLOAD LOTS, VALLEY. ESTIMATED BY ESCS. 8/ CRUDE, F.O.B. VALLEY. 9/ AVERAGE PRICE FOR ALL GRADES AND MARKET POINTS, F.O.B. MILLS. 10/ COMBINED VALUE OF PRODUCTS PER TON CRUSHED. 11/ SPREAD BETWEEN COMBINED VALUE OF COTTONSEED PRODUCTS PER TON OF SEED CRUSHED AND SEASON AVERAGE PRICE RECEIVED BY FARMERS FOR COTTONSEED.

Estimated Sunflowerseed Crush Capacity*



*Northern production areas.

△Projected capacity based on plant expansions and new mills announced by industry.

USDA

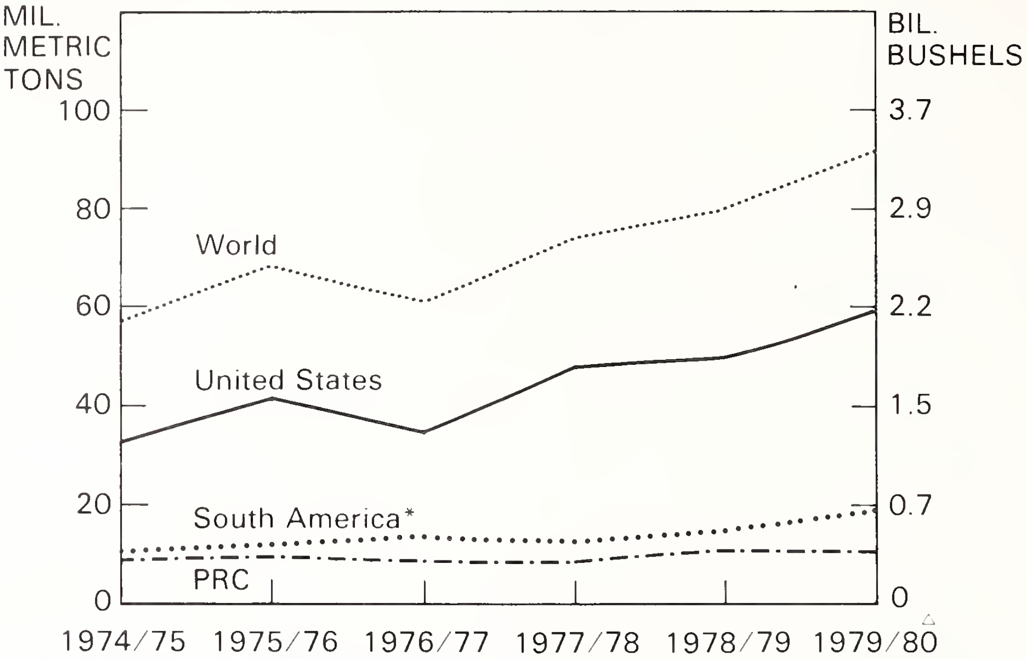
Neg. ESCS 153-79 (9)

Table 9.--U.S. sunflowerseed, oil, and meal: Estimated supply, disappearance, and price, 1975-79

Item	1975-76	1976-77	1977-78	1978-79	1979-80
			Sunflowerseed		
Area (1,000 hectares)					
Planted	523	464	1,008	1,218	2,380
Harvested	481	425	959	1,192	2,330
Yield (Metric ton/hectare)	1.13	1.17	1.39	1.54	1.57
Supply (Thousand metric tons)					
Beginning stocks, Sept. 1	---	---	23	77	130
Production	544	499	1,330	1,839	3,660
Imports	2	2	3	7	5
Total supply	546	501	1,356	1,923	3,795
Disappearance					
Crush	180	35	219	292	365
Non-oil usage	91	103	113	125	135
Planting seed	2	3	5	10	10
Exports	273	337	942	1,366	*3,285
Total use	546	478	1,279	1,793	
Ending stocks, Aug. 31	---	23	77	130	
Season avg. price (Dol./MT)	238	243	229	240	230
			Sunflower oil		
Supply					
Beginning stocks, Oct. 1	---	8	---	3	7
Production	72	14	86	120	150
Total supply	72	22	86	123	157
Disappearance					
Domestic use	16	7	49	78	110
Exports	48	15	34	40	40
Total use	64	22	83	118	150
Ending stocks, Sept. 30	8	---	3	7	7
Average price (Dol./MT)	---	---	---	728	685
			Sunflower meal		
Supply					
Beginning stocks, Oct. 1	NA	NA	NA	4	4
Production	NA	NA	NA	180	220
Total supply	NA	NA	NA	184	224
Disappearance					
Domestic use	NA	NA	NA	180	220
Exports	NA	NA	NA	---	---
Total use	NA	NA	NA	180	220
Ending stocks, Sept. 30	NA	NA	NA	4	4
Average price (Dol./MT)	NA	NA	NA	136	132

NOTE: U.S. estimates are based on limited data from the Crop Reporting Board, Bureau of the Census, and special appraisals. *Available for export or carryover stocks.

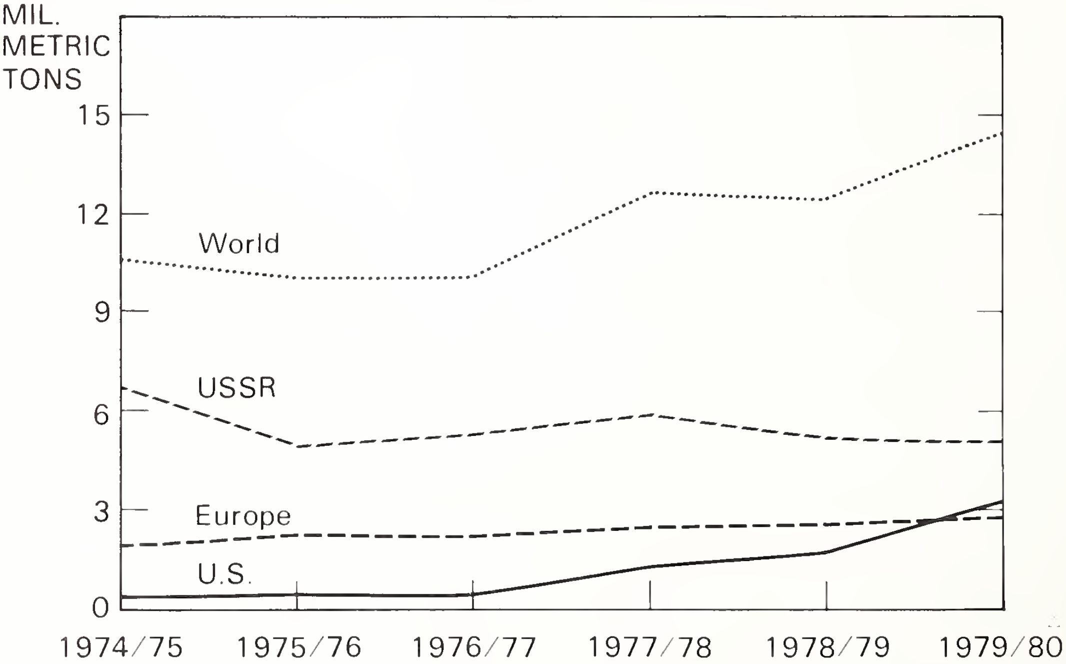
WORLD SOYBEAN PRODUCTION



*ARGENTINA, BRAZIL AND PARAGUAY △ FORECAST

USDA Neg. ESCS 149 79(9)

WORLD SUNFLOWERSEED PRODUCTION



△ FORECAST

USDA Neg. ESCS 146 79(9)

Cottonseed meal supplies for 1979/80 are placed at 2.3 million tons compared with 2.0 million last season. With continuing strong demand for use in dairy and beef cattle rations, domestic use is estimated at 2.0 million tons, up somewhat from 1978/79. Exports may total around 150,000 tons, not much changed from last season.

During August-September, cottonseed meal prices (41-percent protein, Memphis) averaged $180 per ton, compared with $152 for the similar period the year before. Prices are relatively strong, reflecting the good demand for oilseed meals and lagging ginnings of the 1979 cotton crop.

SUNFLOWERSEED

Supply Doubles

U.S. sunflowerseed supplies are projected at a record 3.8 million metric tons compared with 1.9 million in 1978/79, reflecting expanded plantings and yields.

Although domestic crushings will continue to expand during 1979/80, more than three-fourths of the supply will still be available for export. Europe and Mexico are major markets for U.S. sunflowerseed.

Prices received by farmers for 1979-crop sunflowerseed probably will average slightly below the $243 per metric ton received last season. The Duluth-Superior port strike stopped export movement in August and September just when the new harvest was about to commence, resulting in a substantially larger carryover than earlier anticipated. And with the record harvest this fall, storage and transportation facilities will be taxed—likely resulting in lower prices to farmers. However, export demand likely will be at a new high and this may result in a post-harvest seasonal price rise. Storage facilities for sunflowerseed in Minnesota and the Dakotas are short this year because of the bumper crop.

Crush Capacity Expanding

Sunflowerseed production has increased sharply in recent years, spurred by the development of high oil content seed (40 percent) and the hybrid varieties. Virtually all of the U.S. area planted this year is to hybrids. With more U.S. sunflowerseed available and domestic demand for oil and meal increasing, the crushing industry is also expanding rapidly.

The annual sunflowerseed crushing capacity in the northern producing areas is estimated at just under 1.0 million metric tons in 1979/80, about 40 percent more than last season. With the season's crush projected at about 365,000 tons, the industry will be operating at about 40 percent of potential capacity.

Excess Capacity Next Few Years

Based on plant expansions and new mills announced by industry (three new mills in North Dakota), the projected crushing capacity for sunflowerseed is 2.0 million tons in 1980/81 and 2.2 million tons in 1981/82. Since sunflowerseed crushings are projected to rise at a more moderate pace, the U.S. sunflowerseed industry will have a large excess of processing capacity, if investment plans for new crushing capacity materializes. In the longer run, the crushing industry will more fully utilize its potential capacity as the demand for sunflowerseed oil and meal expands.

U.S. Use of Oil
And Meal Up Sharply

With more food processors now producing and marketing sunflowerseed cooking/salad oils and margarines on a national basis, domestic use of sunflowerseed oil expanded to about 78,000 metric tons in 1978/79, an increase of about two-thirds over the previous year. These are estimates since the Bureau of the Census does not include sunflowerseed oil in its monthly report (M20K series) of fats and oils factory consumption and warehouse stocks.

Sunflowerseed oil prices have weakened some recently, with market quotes in mid-October about $715 per ton.

Exports of sunflowerseed oil during 1978/79 totaled an estimated 40,000 tons, up slightly from the previous year. Nearly 90 percent of the exports are crude oil and the remainder is mainly salad oil. Egypt and Venezuela are the major markets.

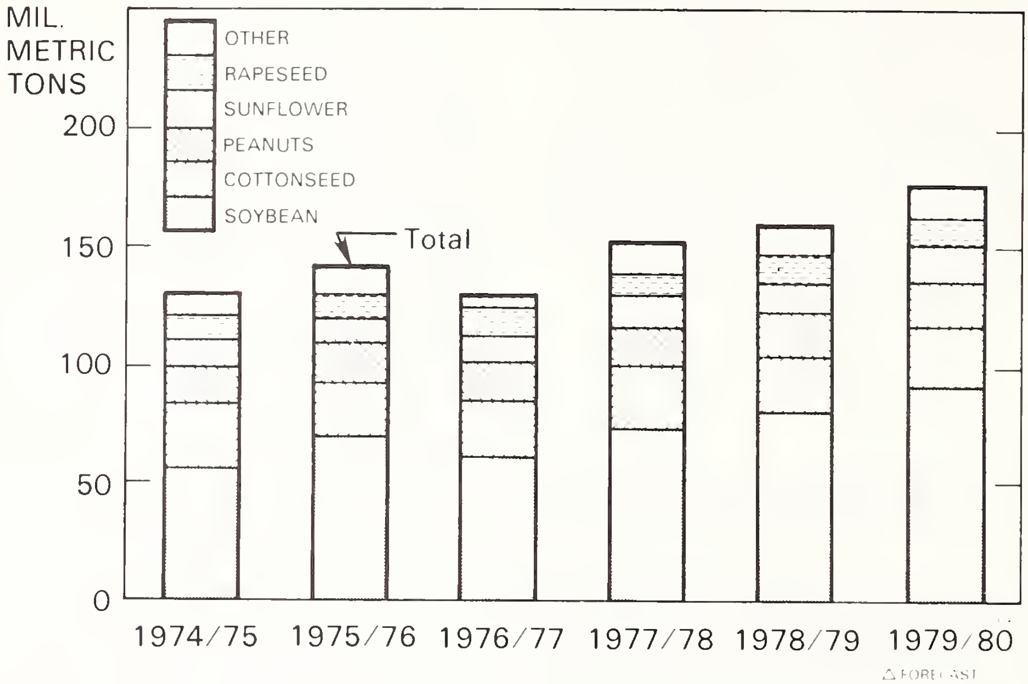
The domestic use of sunflowerseed meal is estimated at about 180,000 tons in 1978/79, well above a year earlier. Sunflowerseed meal is a high-protein ingredient utilized in livestock rations. Sunflowerseed processed without dehulling produces a 28-percent protein meal; partially dehulling produces a 44-percent protein meal. Further removal of hulls is possible by screening the meal, resulting in a 51-percent protein meal.

WORLD OILSEED SITUATION

New Record High Output

World oilseed crops in 1979/80 are projected at a record 178 million metric tons, up 19 million from the 1978/79 output of 159 million tons. Sharp increases in soybean and sunflowerseed production along with smaller growth in the other oilseed crops all contribute to the 12-percent gain.

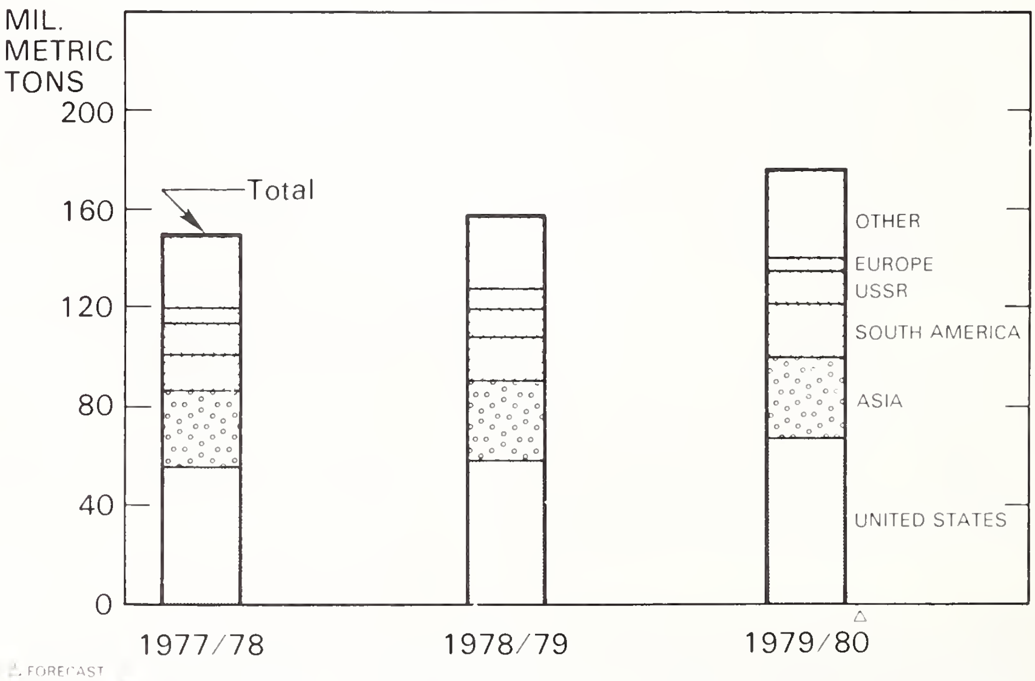
WORLD OILSEED PRODUCTION



USDA

Neg. ESCS 146-79(1)

WORLD OILSEED PRODUCTION



USDA

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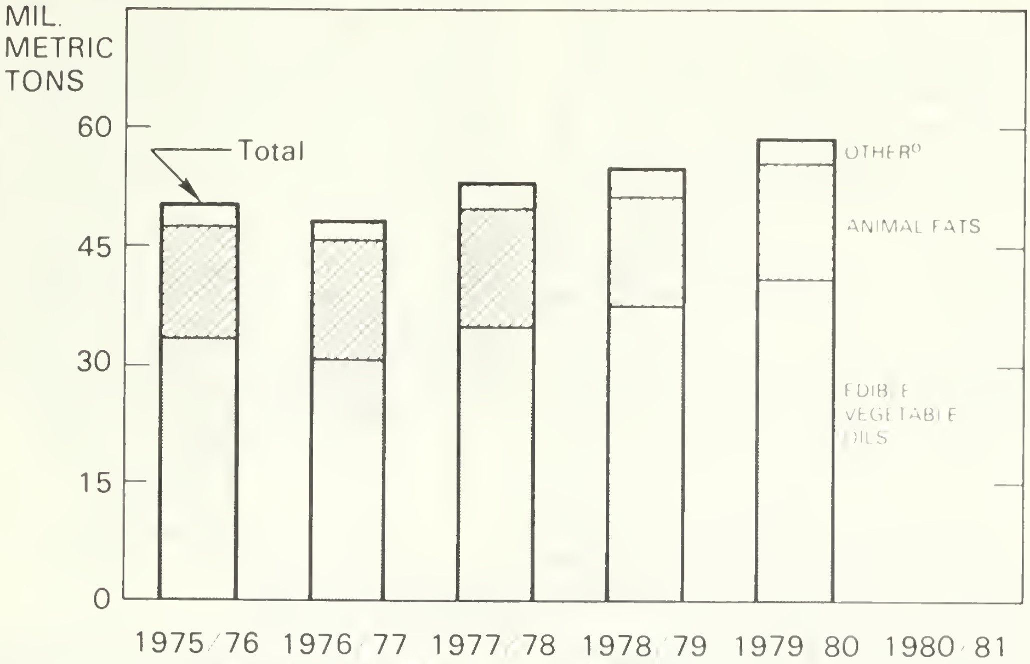
WORLD FATS AND OILS PRODUCTION

OIL BASIS

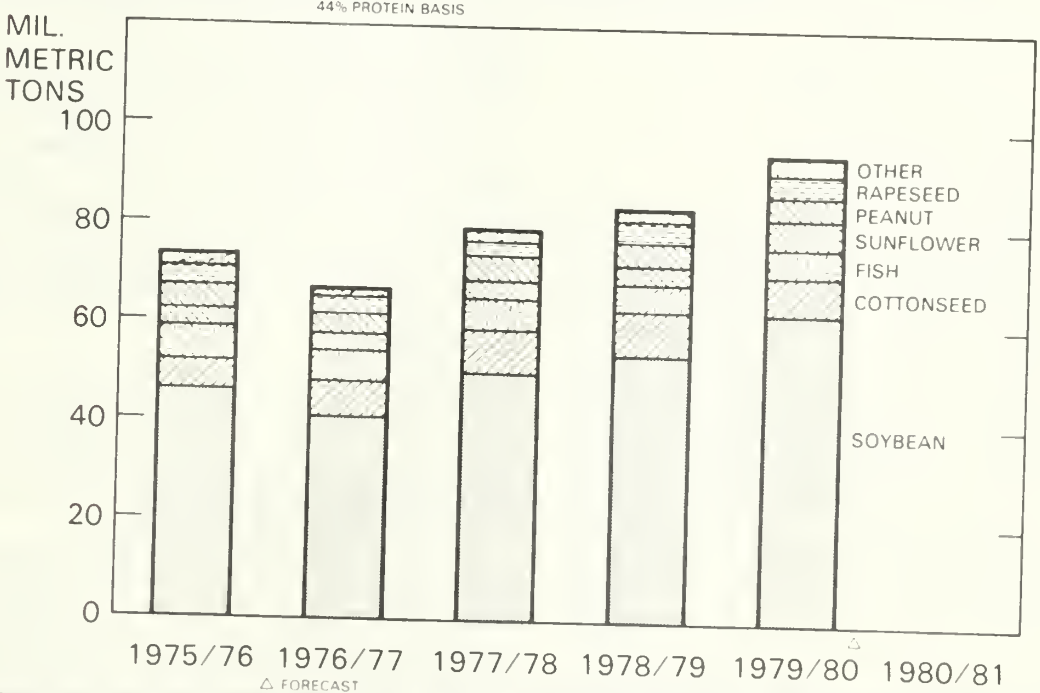


°INDUSTRIAL AND MARINE

USDA

WORLD PROTEIN MEAL PRODUCTION

44% PROTEIN BASIS



△ FORECAST

USDA

Neg. ESCS 150-79(9)

Oilseed crops in the Northern Hemisphere for 1979/80 are now being harvested and the outlook is for much larger potential world supplies of high-protein meals and fats and oils. An important contributing factor is the growth in U.S. production of about a fifth, due to larger crops of soybeans, sunflowers, cottonseed, and lard. The Brazilian soybean crop to be harvested in the spring of 1980 is expected to recover from the droughts of the past 2 years, while Argentine soybean and Malaysian palm oil crops continue to increase.

World production of high-protein meals in 1979/80 is projected at 96 million tons (44-percent protein basis), up 13 percent over 1978/79 and nearly double the annual growth rate of recent years. World fats and oils production is projected at 59 million tons, 8 percent over the 1978/79 level compared with the long-run growth rate of 3 percent.

World consumption of high-protein meals and fats and oils is expected to continue to expand in 1979/80. A strong consumption response to lower prices could more than offset other factors that suggest a tempering in demand growth.

The real economic growth rate in OECD countries is expected to slow to 2 percent in 1980 from 3 in 1979 and 3½ percent in 1978. In addition, the EC countries likely will be in the contracting phase of the pork production cycle. Deliveries of manioc to Europe were reduced last summer and are likely to remain at reduced levels in 1980, limiting increases in demand for protein meals.

COCONUT OIL

Imports May Decline Again

U.S. coconut oil imports during the 1979/80 marketing year may decline slightly from the 435,000-metric-ton level of last season, if coconut oil prices continue near their currently high levels over the next few months. World copra production is expected to increase about a tenth from the 1978/79 level of 4.7 million tons, as output prospects improve in the Philippines, the world's major producer-exporter of copra and coconut oil.

The Philippine Government has proposed a cartel of the coconut oil processing industry in that country. It is too early to analyze the impact a cartel would have on the coconut oil trade in the world. Generally speaking, cartels in the fats and oils industry do not work because of the interchangeability and substitutability in many end-uses.

U.S. use of coconut oil in 1978/79 declined slightly from the 445-million-ton level of the year before, mainly because of the high price of coconut oil relative to U.S. soybean oil. These oils compete for use in manufacture of margarine, shortening, and salad and cooking oils. In some baking and confectionery products, domestically produced vegetable oils cannot be substituted for coconut oil because of coconut oil's high lauric acid properties.

Coconut oil prices (crude, Pacific Coast) advanced from about $700 per ton in the summer of 1978 to about $1,265 in July 1979, then declined to $970 in September 1979. The 1978/79 marketing year average was $1,071 per ton or nearly two-thirds more than the $657 average during 1977/78. Coconut oil prices during 1979/80 probably will be relatively more steady than last season, possibly averaging as much as a fourth lower. Historically, coconut oil prices have shown wider price fluctuations than other fats and oils primarily due to weather conditions in the Philippines.

PALM OIL

Imports May Increase; Prices Now Competitive

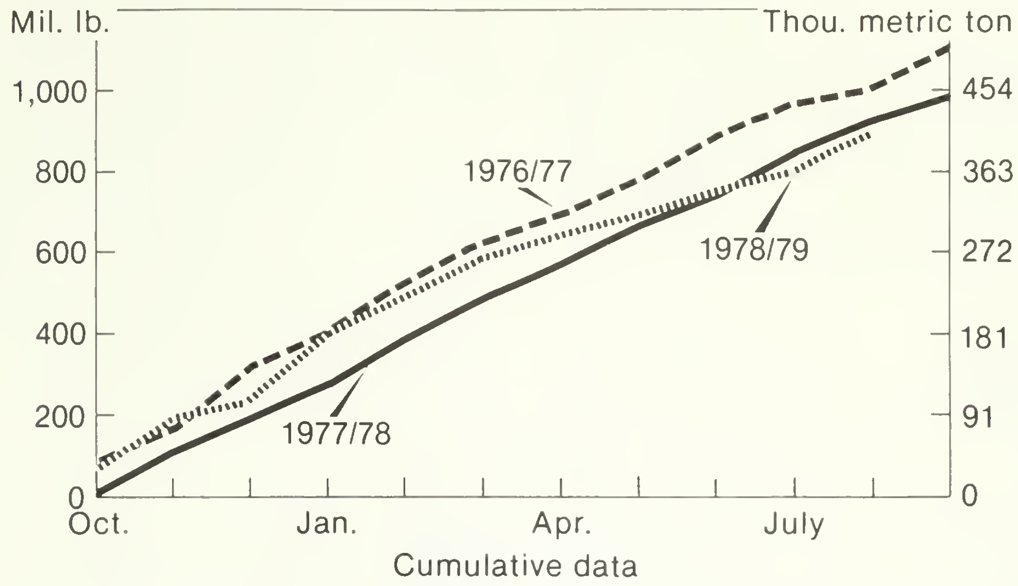
U.S. palm oil imports during 1979/80 may increase somewhat from the 127,000 metric tons (estimated) of last season. Prices have already become more attractive to U.S. food manufacturers and availabilities from Malaysia are increasing. World production of palm oil in 1979/80 is projected at 4.3 million tons, up about 10 percent from the 3.9 million tons of 1978/79. The United States does not produce any palm oil so imports, which are duty free, come mainly from Malaysia.

During the 1978/79 marketing year, palm oil prices sold at a premium over soybean oil and imports declined nearly a fourth—to the lowest level in 5 years. Palm oil prices on the West Coast averaged $695 per ton (19 percent above 1977/78) while soybean oil at Decatur averaged $600 (11 percent above 1977/78)—a differential of $95 per ton. The price difference in 1977/78 averaged $60 per ton.

Palm oil prices in mid-October 1979, at $650 per ton, are competitive with domestic soybean oil prices of $632 per ton—after adjusting for transportation costs from the West Coast to the Midwest and allowing for the higher refining loss in palm oil.

If world production expands as projected and price relationships remain favorable as now appears likely, U.S. use of palm oil probably will rise from the 125,000 ton level of 1978/79. Palm oil is used mainly in the production of hydrogenated shortenings, with smaller quantities going into margarine and cooking and salad oil production. Palm oil is blended with soybean oil in these uses.

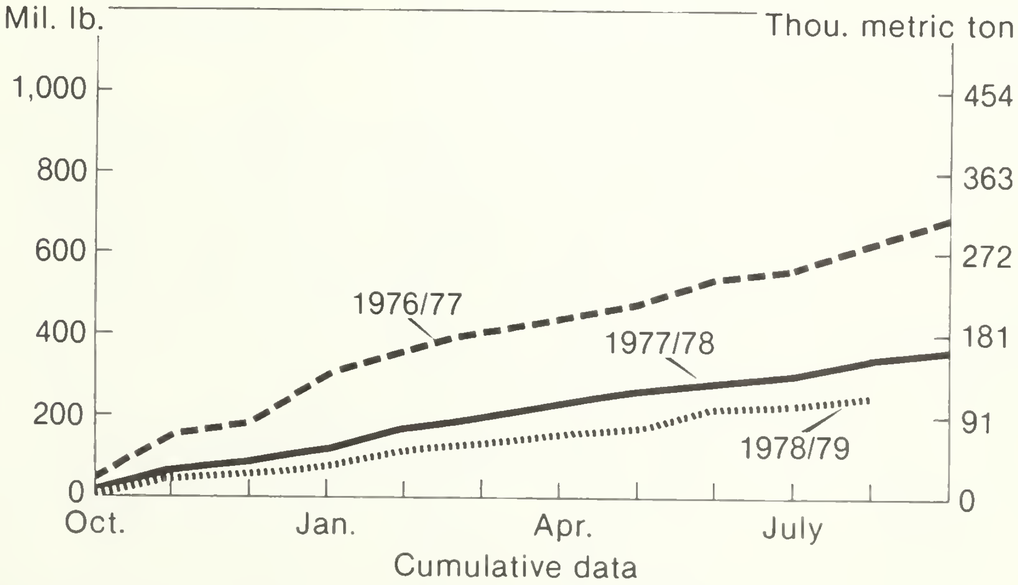
U.S. Coconut Oil Imports



USDA

Neg. ESCS 2725-79 (10)

U.S. Palm Oil Imports



USDA

Neg. ESCS 2695-79 (10)

TABLE 10.--FOOD FATS AND OILS: SUPPLY, DISAPPEARANCE, AND PER CAPITA DISAPPEARANCE, 1970-79

ITEM	YEAR BEGINNING OCTOBER									
	1970	1971	1972	1973	1974	1975	1976	1977 1/	1978 1/	1979 2/
	MILLION POUNDS									
STOCKS, OCTOBER 1										
BUTTER	171	222	178	94	106	40	68	203	267	
LARD	60	77	44	28	48	23	34	32	35	
TALLOW, EDIBLE	37	63	36	19	32	24	59	33	42	
COCONUT OIL	102	108	111	114	122	107	127	137	145	
CORN OIL	60	58	70	57	68	52	41	46	73	
COTTONSEED OIL	121	94	114	114	110	136	105	79	85	
SOYBEAN OIL	543	773	785	516	794	561	1,251	767	729	
PALM OIL	20	36	93	60	88	127	138	131	74	
PALM KERNEL OIL	15	26	24	20	26	20	27	46	18	
PEANUT OIL	12	24	18	18	22	44	199	171	33	
SAFFLOWER OIL	29	29	39	31	8	25	44	25	21	
SUNFLOWER OIL	---	---	---	---	---	---	20	---	7	
SUB-TOTAL	1,170	1,510	1,513	1,071	1,422	1,158	2,112	1,670	1,529	
FINISHED PRODUCTS 3/	236	236	254	206	247	213	271	254	306	
TOTAL FOOD FATS AND OILS	1,407	1,746	1,767	1,277	1,669	1,371	2,383	1,924	1,835	2,015
IMPORTS										
BUTTER	2	2	2	56	2	2	2	1	1	1
TALLOW, EDIBLE	4/	4/	1	4/	4/	4/	4/	4/	---	---
OLIVE OIL	67	67	58	49	46	63	56	62	63	65
COCONUT OIL	606	634	687	563	673	1,248	1,115	980	950	900
CORN OIL	1	---	4/	1	2	1	10	3	---	---
COTTONSEED OIL	4/	---	4/	4/	---	4/	---	---	---	---
PALM OIL	207	440	363	348	757	933	661	361	200	300
PALM KERNEL OIL	105	90	102	126	160	158	157	123	150	150
PEANUT OIL	4/	4/	4/	1	4/	2	4/	4/	---	---
SESAME OIL	2	2	2	3	2	3	3	3	3	3
SUNFLOWER OIL	---	---	---	---	1	2	---	---	---	---
TOTAL	990	1,235	1,214	1,147	1,643	2,413	2,006	1,533	1,447	1,419
PRODUCTION										
BUTTER	1,148	1,121	956	927	995	946	1,078	1,040	975	1,000
LARD	2,018	1,646	1,285	1,324	1,094	982	1,056	999	1,075	1,200
TALLOW, EDIBLE	550	523	481	556	557	527	532	795	935	975
OLEO OIL & STEARINE 5/	4	5	8	9	11	7	8	5	5	
COCONUT OIL	205	336	310	93	---	---	---	---	---	---
CORN OIL	485	499	523	528	465	644	669	695	740	775
COTTONSEED OIL	1,235	1,308	1,564	1,552	1,335	920	1,198	1,453	1,300	1,600
SOYBEAN OIL	8,265	7,892	7,501	8,995	7,375	9,630	8,578	10,291	11,370	11,880
PEANUT OIL	266	265	273	195	236	494	312	140	150	150
SAFFLOWER OIL (ESTIMATE)	120	140	150	100	115	100	75	95	100	100
SUNFLOWER OIL	---	---	---	---	92	110	37	195	265	330
SUB-TOTAL	14,297	13,735	13,051	14,278	12,275	14,360	13,542	15,709	16,915	18,010
OILSEEDS (OIL EQUIVALENT OF EXPORTS)	4,857	4,556	5,299	6,221	4,887	6,445	6,453	8,762	9,480	11,760
TOTAL SUPPLY	21,550	21,272	21,332	22,923	20,474	24,589	24,383	27,928	29,677	33,204
EXPORTS AND SHIPMENTS										
BUTTER	27	124	18	8	4	3	4	2	2	2
LARD	382	220	132	180	147	185	249	174	140	175
TALLOW, EDIBLE	6	5	20	43	17	22	23	18	50	50
OLEO OIL & STEARINE	4	5	8	9	11	7	8	5	5	5
COCONUT OIL	17	20	19	17	14	53	31	33	10	10
CORN OIL	43	49	44	68	84	98	93	116	130	150
COTTONSEED OIL	373	453	584	565	686	500	691	758	650	750
PALM OIL	8	32	40	24	27	39	57	52	5	10
PEANUT OIL	60	71	111	42	40	104	74	99	40	50
PROCESSED FOOD OILS 6/	67	70	67	91	77	101	88	75	75	75
SAFFLOWER OIL (ESTIMATE)	20	40	40	25	25	25	15	25	25	25
SOYBEAN OIL	1,782	1,440	1,086	1,461	1,090	1,034	1,608	2,137	2,350	2,250
SUNFLOWER OIL	---	---	---	---	9	10	31	75	90	90
SUB-TOTAL	2,790	2,529	2,171	2,533	2,231	2,181	2,972	3,570	3,572	3,642
OILSEED (OIL EQUIVALENT)										
COTTONSEED	12	1	3	17	2	26	4	15	5	10
SOYBEANS	4,764	4,429	5,191	6,100	4,643	6,083	6,126	7,958	8,250	9,075
PEANUTS (FOR CRUSHING ABROAD)	58	71	56	68	54	---	1	---	---	---
SAFFLOWER	23	55	49	36	38	26	22	28	25	25
SUNFLOWER SEED	---	---	---	---	150	310	300	760	1,200	2,650
SUB-TOTAL	4,857	4,556	5,299	6,221	4,887	6,445	6,453	8,762	9,480	11,760
TOTAL EXPORTS	7,647	7,085	7,470	8,754	7,118	8,626	9,425	13,443	13,052	15,402
DOMESTIC DISAPPEARANCE										
BUTTER	1,074	1,043	1,024	964	1,059	917	941	975	1,000	1,000
LARD	1,645	1,480	1,185	1,150	989	803	814	822	935	1,000
TALLOW, EDIBLE	518	546	479	500	548	470	534	769	875	900
COCONUT OIL	644	612	664	539	675	1,175	1,075	939	925	900
CORN OIL	445	439	492	450	399	559	581	556	600	625
COTTONSEED OIL	890	834	980	991	622	451	532	689	625	675
SOYBEAN OIL	6,253	6,439	6,685	7,255	6,518	7,906	7,454	8,192	8,900	9,350
OLIVE OIL	67	67	58	49	46	63	56	62	63	65
PALM OIL	182	351	356	294	692	883	611	367	275	300
PALM KERNEL OIL	94	92	107	120	165	151	138	151	145	150
PEANUT OIL	193	200	162	150	175	237	265	179	100	100
SAFFLOWER OIL (ESTIMATE)	100	90	118	98	75	75	70	74	70	75
SESAME OIL	2	2	2	3	2	3	3	3	3	3
SUNFLOWER OIL	---	---	---	---	83	80	26	120	170	240
PROCESSED FOOD OILS 6/	-67	-70	-67	-91	-77	-101	-88	-75	-75	-75
TOTAL	12,041	12,124	12,244	12,474	11,970	13,672	13,013	13,824	14,611	15,305
TOTAL (CALCULATED NET) 7/	12,041	12,105	12,292	12,433	12,003	13,614	13,030			
TOTAL USE FOR FOOD 8/	11,057	11,312	11,501	11,597	11,340	12,172	11,711	12,264	12,800	
PER CAPITA DISAPPEARANCE	POUNDS									
BUTTER (FAT CONTENT)	4.2	4.0	3.9	3.7	4.0	3.4	3.5	3.6		
MARGARINE (FAT CONTENT)	8.7	8.9	9.0	9.0	8.8	9.6	9.3	9.0		
LARD (DIRECT USE)	4.6	3.7	3.5	3.2	3.0	2.8	2.3	2.3		
BAKING AND FRYING FATS	17.0	17.3	17.3	17.3	16.6	18.3	17.2	17.9		
SALAD AND COOKING OILS	15.6	16.7	17.4	18.5	17.8	19.5	19.0	20.5		
OTHER EDIBLE USES	2.3	2.7	2.7	2.1	2.0	2.1	1.9	2.1		
TOTAL (FAT CONTENT)	52.5	53.3	53.8	53.9	52.2	55.8	53.3	55.4	57-58	

1/ PRELIMINARY. 2/ FORECAST. 3/ SHORTENING, MARGARINE (FAT CONTENT), AND SALAD AND COOKING OILS. 4/ LESS THAN 500,000 POUNDS. 5/ REPRESENTS EXPORTS ONLY; PRODUCTION DATA ARE NOT AVAILABLE. 6/ INCLUDES EXPORTS OF PROCESSED FOOD OILS NOT CLASSIFIED BY KIND, SHORTENING AND OTHER SECONDARY FATS. 7/ ADJUSTED TO REFLECT CHANGES IN STOCKS OF FINISHED PRODUCTS. 8/ EXCLUDES FOOD FATS AND OILS USED FOR NON-FOOD PURPOSES.

LARD

Output Increasing

Lard production during the 1979/80 marketing year is estimated at about 1.2 billion pounds, up around a tenth from the last marketing year. The increase is due mainly to larger hog slaughter since lard yield per hog killed probably will continue near the 1978/79 rate of 13 pounds.

Domestic disappearance of lard likely will total around 1.0 billion pounds in 1979/80 compared with an estimated 935 million last year. The direct use of lard may continue near the 0.6-billion-pound level while the use in shortening and margarine manufacture may increase, if lard prices remain competitive with other major fats and oils. Exports and shipments may increase slightly from the 140-million-pound level of 1978/79. The major overseas markets for U.S. lard are the United Kingdom and South America.

Lard prices (tanks, loose, Chicago) last season averaged 25.3 cents per pound ($558 per metric ton), about 3 cents ($66) above 1977/78. Prices ranged from a low of 23 cents to a high of 30 cents. But prices this season likely will exhibit a more stable pattern. Prices in mid-October were 25 cents, or about half a cent, above October 1978. Increasing lard production coupled with larger supplies of edible vegetable oils this year likely will result in lard prices averaging slightly below 1978/79 levels.

PEANUTS

Supply At New High

U.S. peanut supplies during the 1979/80 marketing year are estimated at 4.7 billion pounds (farmers' stock basis), up about 3 percent from last season. The production gain is due to increased yields since the national peanut acreage allotment at 1.6 million acres is unchanged from 1978.

U.S. use of peanuts for food reached a record 2.0 billion pounds in 1978/79, an 8-percent increase over the previous year, and equates to more than 9 pounds per person (in-shell basis). Further increases in edible uses are expected in 1979/80, although the rate of gain probably will be less than last season. Peanut prices have been relatively low compared with competitive foods and this is probably the main reason for the boost in consumption.

U.S. peanut exports have been at record-high levels the last two seasons, totaling more than 1.1 billion pounds in 1978/79. U.S. peanuts have been competitively priced in world markets since supplies from India and other major exporting countries were reduced. The 1979/80 outlook is for another good export year, with the level influenced largely by the Indian peanut situation, since more U.S. peanuts will be available for export or domestic crush.

The U.S. average loan rate for 1979-crop quota peanuts is 21 cents a pound, unchanged from the 1978 rate, and season average farm prices are expected to average near this level. The loan rate for additional peanuts, at 15 cents per pound, is up 2.5 cents from the 1978-crop rate.

FLAXSEED

1979 Crop Up

The 1979/80 flaxseed supply totals 16 million bushels, slightly less than last season. The 1979 flaxseed crop is up about 21 percent, but carryover stocks last June were down and prospective imports are below 1978/79 levels.

Crushings during 1979/80 probably will total near the 13-million-bushel output, leaving little seed available for export. A crush this size will produce about 260 million pounds of linseed oil and about 250,000 short tons of linseed meal. Flaxseed crushings have ranged between 11 and 13 million bushels during the past five seasons.

Flaxseed prices received by farmers declined from $7.27 per bushel in June 1979 to $6.36 in September, averaging $6.73 per bushel during the period compared with $5.45 in 1978. Flaxseed prices probably are seasonally low and some price increase appears probable over the next few months. Linseed oil prices (raw, Minneapolis) in mid-October were about 30 cents per pound while linseed meal (34-percent protein, Minneapolis) is quoted at $180 per short ton.

TALLOW

Output May Increase

Production of tallow (edible and inedible) and greases for the 1979/80 marketing year is projected at about 7 billion pounds, up slightly from last year due to heavier slaughter weights of cattle and increased pork production. During 1978/79, edible tallow output was up significantly while inedible tallow and greases were off. Edible tallow accounts for about 15 percent of the total tallow and greases produced and its share has gained.

Domestic use may increase slightly in 1979/80 from the 4.2 billion pounds of last season, while exports may total near the 2.7 billion pounds of 1978/79. Increases in petrochemical feed stock prices may result in strengthening the demand for natural fats and oils such as tallow and greases.

TABLE 11.--PEANUTS: ACREAGE, PRODUCTION AND PRICE, BY STATES AND AREAS, 1977-79

STATE AND AREA	ACREAGE HARVESTED FOR NUTS			YIELD PER ACRE HARVESTED			PRODUCTION 1/			PRICE PER POUND RECEIVED BY FARMERS (SEASON AVERAGE)		
	1977	1978	1979	1977	1978	1979	1977	1978	1979	1977	1978 2/	1979 2/
	- - 1,000 ACRES - -			- - - POUNDS - - -			- - MILLION POUNDS - -			- - - - CENTS - - - -		
VIRGINIA	103.0	103.0	102.0	2,845	3,100	2,950	293	319	301	21.3	21.3	
NORTH CAROLINA	166.0	166.0	166.0	2,675	2,825	2,600	444	469	432	20.6	22.0	
TOTAL VA.-N.C. AREA	269.0	269.0	268.0	2,740	2,753	2,735	737	741	733	20.9	21.7	
SOUTH CAROLINA	15.0	15.2	15.2	2,080	2,350	2,200	31	36	33	21.0	21.0	
GEORGIA	526.0	526.0	527.0	2,850	3,300	3,400	1,499	1,736	1,792	20.9	21.0	
FLORIDA	55.0	54.0	55.0	3,100	3,380	3,250	171	183	179	20.7	21.3	
ALABAMA	215.0	214.0	213.0	2,740	2,630	2,700	589	563	575	22.2	21.1	
MISSISSIPPI	7.0	8.0	7.8	1,650	2,000	1,750	12	16	14	22.0	21.0	
TOTAL S. E. AREA	818.0	816.0	818.0	2,814	3,110	3,170	2,303	2,538	2,593	21.2	21.0	
OKLAHOMA	120.0	115.0	120.0	2,230	1,800	2,050	268	207	246	21.4	21.2	
TEXAS	300.0	301.0	309.0	1,315	1,450	1,600	395	436	494	19.6	20.2	
NEW MEXICO	9.4	9.4	9.6	2,700	2,560	2,400	25	24	23	25.0	22.0	
TOTAL S. W. AREA	429.4	430.6	438.6	1,601	1,566	1,740	688	674	763	20.5	20.6	
TOTAL U.S.	1,516.4	1,511.6	1,524.6	2,457	2,639	2,682	3,726	3,989	4,089	21.0	21.1	21.3

1/ FARMERS' STOCK BASIS, NET WEIGHT, BASED ON OCTOBER 1 INDICATIONS.
2/ PRELIMINARY.

TABLE 12.--PEANUTS (FARMERS' STOCK BASIS): SUPPLY, DISAPPEARANCE, AND PRICE, 1950-79

YEAR BEGINNING AUGUST 1	SUPPLY				DISAPPEARANCE						PRICE PER POUND	
	PRODUCTION	IMPORTS	BEGINNING STOCKS AUGUST 1	TOTAL SUPPLY	EXPORTS AND SHIPMENTS	CRUSHED FOR OIL	SEED, FEED, FARM LOSS AND SHRINKAGE	DOMESTIC FOOD USE			RECEIVED BY FARMERS	SUPPORT
								MILITARY	CIVILIAN			
									TOTAL	PER CAPITA		
	- - - - - - - - - - - - - - - - - - MILLION POUNDS									POUNDS	- - CENTS - -	
1950	2,035	---	187	2,222	69	629	211	14	967	6.4	10.9	10.8
1951	1,659	---	332	1,991	8	432	120	10	1,005	6.6	10.4	11.5
1952	1,356	---	416	1,772	3	195	144	10	998	6.4	10.9	12.0
1953	1,574	1/	422	1,996	239	303	151	10	1,007	6.4	11.1	11.9
1954	1,008	180	286	1,474	9	107	130	7	1,012	6.3	12.2	12.2
1955	1,548	5	209	1,762	6	257	157	1	954	5.8	11.7	12.2
1956	1,607	5	387	1,999	102	260	152	3	1,026	6.1	11.2	11.4
1957	1,436	2	456	1,894	48	239	162	3	1,081	6.4	10.4	11.1
1958	1,814	2	361	2,177	62	335	170	8	1,088	6.2	10.6	10.66
1959	2/1,523	1	514	2,038	72	292	96	3	1,151	6.5	9.6	9.68
1960	1,718	1/	424	2,142	61	362	87	8	1,235	6.9	10.0	10.06
1961	1,657	3	368	2,028	34	256	84	7	1,258	6.9	10.9	11.05
1962	1,719	2	389	2,110	43	302	75	8	1,285	6.9	11.0	11.07
1963	1,942	2	397	2,341	97	380	107	5	1,342	7.1	11.2	11.20
1964	2,099	2	410	2,511	179	473	75	8	1,403	7.4	11.2	11.20
1965 3/	2,384	1	373	2,758	238	517	137	14	1,431	7.4	11.4	11.20
1966	2,410	2	412	2,824	222	587	211	2	1,418	7.3	11.3	11.35
1967	2,473	2	4/372	2,847	198	644	156	3	1,493	7.6	11.4	11.35
1968	2,543	2	353	2,898	105	654	243	3	1,536	7.7	11.9	12.01
1969	2,529	1	357	2,888	140	581	237	3	1,574	7.8	12.3	12.38
1970	2,979	2	353	3,334	290	799	209	3	1,580	7.8	12.8	12.75
1971	3,005	2	453	3,460	552	814	79	1/	1,623	7.9	13.6	13.42
1972	3,275	2	392	3,669	521	850	175	---	1,694	8.2	14.5	14.25
1973	3,474	1	429	3,904	709	683	119	---	1,840	8.8	16.2	16.42
1974	3,668	1	553	4,222	740	590	-54	---	1,800	8.5	17.9	18.3
1975	3,857	1	1,146	5,004	434	1,447	193	---	1,870	8.7	19.6	19.7
1976	3,751	1	1,060	4,811	783	1,108	513	---	1,800	8.4	20.0	20.7
1977	3,726	1	608	4,336	1,025	487	392	---	1,850	8.5	21.0	21.5
1978 5/	3,989	1	581	4,571	1,141	527	315	---	1,995	9.2	21.1	7/21.0
1979 6/	4,089	1	593	4,683	1,100	575	308	---	2,100	9.5	21.3	7/21.0
1980 6/			600									

1/ LESS THAN 500,000 POUNDS.
2/ BEGINNING WITH 1959 CROP, PRODUCTION REPORTED ON NET WEIGHT BASIS. PRIOR YEARS WERE GROSS WEIGHT.
3/ BEGINNING 1965 REPORTED CRUSH AND EXPORT OF SHELLED PEANUTS CONVERTED TO FARMERS' STOCK BY 1.33 FACTOR.
4/ NET WEIGHT BASIS BEGINNING 1967.
5/ PRELIMINARY.
6/ FORECAST.
7/ LOAN RATE FOR QUOTA PEANUTS. LOAN RATE FOR ADDITIONAL PEANUTS 12.5 CENTS FOR 1978 CROP PEANUTS AND 15.0 CENTS FOR 1979 CROP PEANUTS.

TABLE 13.--FLAXSEED: SUPPLY, DISPOSITION, AND PRICE, YEAR BEGINNING JUNE, 1965-79

YEAR BEGINNING JUNE	PRODUCTION	IMPORTS	ESTIMATED STOCKS JUNE 1 1/	TOTAL SUPPLY	EXPORTS	SEED	CRUSHING	RESIDUAL	TOTAL DISPOSITION	SEASON AVERAGE FARM PRICE
	1,000 BUSHELS									DOLLAR/BUSHEL
1965	35,402	---	12,866	48,268	5,302	1,895	22,058	1,131	30,386	2.80
1966	23,390	---	17,272	41,272	6,837	1,469	20,196	865	29,367	2.89
1967	20,036	3	11,905	31,944	5,438	1,559	16,511	-195	23,313	2.95
1968	26,983	1	8,631	35,615	9,531	1,968	14,436	-1,942	23,993	2.81
1969	34,929	---	11,622	46,551	6,505	2,265	14,289	452	23,511	2.65
1970	29,416	1	23,040	52,457	3,220	1,262	18,155	922	23,559	2.40
1971	18,198	74	28,898	47,170	910	933	21,022	1,102	23,967	2.38
1972	13,883	3	23,203	37,089	9,881	1,398	19,932	393	31,604	3.10
1973	16,408	399	5,485	22,292	630	1,360	17,203	-953	18,240	7.56
1974	14,083	130	4,052	18,265	372	1,231	13,386	245	15,234	9.66
1975	15,553	148	3,031	18,732	952	1,054	11,791	44	13,842	6.57
1976	7,820	2,168	4,890	14,879	196	1,167	10,677	-166	11,875	7.08
1977	15,105	859	3,004	18,968	1,001	1,089	11,615	313	14,018	4.54
1978	10,921	1,557	5,496	17,974	91	831	13,009	1,303	15,234	6.00
1979 2/	13,255	1,000	2,740	16,995	75	890	13,000	---	13,965	6.00
1980 3/			3,030							

1/ ESCS ESTIMATES 1965-75. DERIVED FROM JULY 1 STOCKS BY ADDING JUNE CRUSHINGS AND EXPORTS. BEGINNING JUNE 1, 1976, CROP REPORTING BOARD REPORTED STOCKS. 2/ PRELIMINARY. 3/ FORECAST BASED ON OCTOBER 1 INDICATIONS.

TABLE 14.--TALLOW (INEDIBLE AND EDIBLE) AND GREASES: SUPPLY, DISAPPEARANCE, AND PRICE, 1960-79

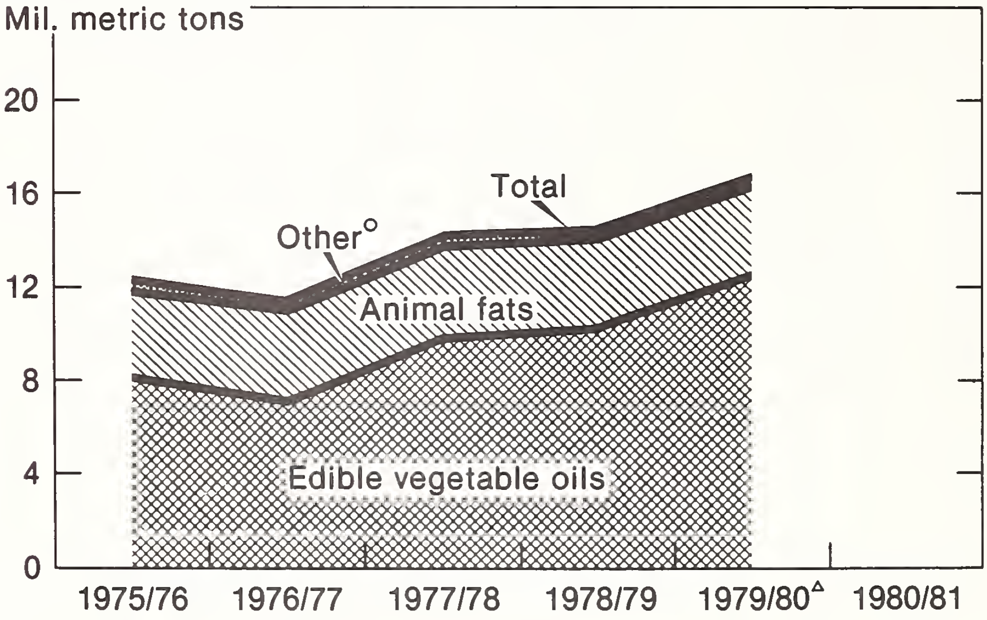
YEAR BEGINNING OCTOBER	SUPPLY						DISAPPEARANCE					PRICE PER POUND, CHICAGO	
	PRODUCTION			IMPORTS	STOCKS, OCT. 1	TOTAL	EXPORTS AND SHIPMENTS	DOMESTIC			TOTAL		
	INEDIBLE	EDIBLE	TOTAL					INEDIBLE	EDIBLE	TOTAL		BLEACHABLE FANCY	EDIBLE
	MILLION POUNDS											CENTS	
1960	3,561	414	3,975	--	370	4,345	1,774	1,745	411	2,156	3,930	6.3	9.4
1961	3,776	439	4,215	2	414	4,631	1,715	2,093	438	2,531	4,246	5.5	8.5
1962	3,829	475	4,304	2	386	4,692	1,743	2,124	457	2,581	4,324	5.5	8.1
1963	4,604	572	5,176	3	368	5,547	2,342	2,320	578	2,898	5,240	6.5	8.9
1964	4,461	528	4,989	3	307	5,299	2,160	2,239	527	2,766	4,926	8.4	11.4
1965	4,419	551	4,970	2	373	5,345	1,965	2,393	530	2,923	4,888	7.8	11.8
1966	4,766	597	5,363	5	457	5,825	2,219	2,565	563	3,128	5,347	5.8	8.4
1967	4,751	540	5,291	8	479	5,778	2,218	2,577	567	3,144	5,382	4.9	6.2
1968	4,601	520	5,121	4	416	5,541	2,017	2,668	526	3,194	5,211	6.2	8.3
1969	4,830	566	5,396	7	330	5,733	2,062	2,721	544	3,265	5,327	7.9	11.0
1970	5,252	550	5,802	7	407	6,216	2,597	2,628	518	3,146	5,743	8.1	11.0
1971	5,095	523	5,618	7	473	6,098	2,452	2,735	546	3,281	5,733	6.8	10.3
1972	4,845	481	5,326	2	365	5,693	2,300	2,567	479	3,046	5,346	12.8	15.4
1973	5,595	556	6,151	8	347	6,506	2,583	2,940	500	3,440	6,023	18.7	23.7
1974	4,908	557	5,465	12	483	5,960	2,204	2,878	548	3,426	5,630	14.0	27.3
1975	5,464	528	5,992	16	332	6,340	2,164	3,295	470	3,765	5,929	15.0	18.0
1976	6,030	530	6,560	6	411	6,977	2,872	3,180	534	3,714	6,586	16.8	20.0
1977	6,108	795	6,903	6	396	7,305	2,742	3,404	723	4,127	6,869	18.5	22.1
1978 1/	6,050	935	6,985	6	436	7,427	2,675	3,377	875	4,252	6,927	23.7	25.9
1979 2/	6,075	975	7,050	5	500	7,555	2,700	3,450	900	4,350	7,050	3/20.6	3/24.5
1980													

1/ PRELIMINARY. 2/ FORECAST. 3/ MID-OCTOBER 1979 PRICE QUOTES.

Inedible tallow prices (bleachable fancy, Chicago) varied from 20 cents per pound to 26 cents during the 1978/79 marketing year, averaging about 23 cents. Prices in 1979/80 probably will continue near this level, reflecting continuing strong demand and the increased costs of collecting and rendering tallow and greases. Edible tallow prices (loose, Chicago) ranged from 24 to 30 cents per pound during 1978/79, averaging about 26 cents per pound or about the same level as lard.

* * * * *

U.S. Oils and Fats Production*



*Excludes tall oil. °Linseed oil and fish oil. ^Projected.

USDA Neg. ESCS 154-79 (9)

TABLE 15 --WHOLESALE PRICES PER POUND FOR FATS AND OILS

ITEM	1979					
	MAR	APR	MAY	JUN	JUL	AUG
	CENTS					
WHOLESALE						
BUTTER, CREAMERY, GRADE A, (92- AND 93-SCORE) BULK, NEW YORK	119.1	125.5	125.4	125.2	125.2	135.0
BUTTER, CREAMERY, GRADE A, (92-SCORE) BULK, CHICAGO	118.0	120.0	120.0	120.1	124.0	130.0
CASTOR OIL, NO.1, BRAZILIAN, TANKS, IMPORTED, NEW YORK	37.9	37.8	37.8	38.4	41.3	50.9
COCONUT OIL, CRUDE, TANK CARS, PACIFIC COAST 1/	47.0	49.9	53.2	57.3	57.3	53.7
COCONUT OIL, CRUDE, TANKS, F.O.B., NEW YORK	47.9	51.3	54.1	58.7	60.0	57.5
COD OIL, BULK, F.O.B., GLOUCESTER, MASSACHUSETTS	23.5	23.5	23.5	23.5	23.5	23.5
CODLIVER OIL, NF, DRUMS, NEW YORK	69.0	69.0	69.0	69.0	69.0	69.0
CORN OIL, CRUDE, TANK CARS, F.O.B., DECATUR	33.3	32.1	33.0	30.0	31.0	32.3
CORN OIL, REFINED, TANKS, NEW YORK	40.1	37.7	37.6	36.9	37.5	38.0
COTTONSEED OIL, CRUDE, TANK CARS, F.O.B., SOUTHEAST MILLS	32.5	32.0	32.0	32.0	32.0	32.0
COTTONSEED OIL, CRUDE, TANK CARS, F.O.B., VALLEY	33.8	33.1	---	31.6	32.6	35.2
COTTONSEED OIL, REFINED, TANKS, NEW YORK	39.8	39.8	38.1	39.0	40.8	40.0
DEGRAS, LINOLIN TECHNICAL, DRUMS, NEW YORK	64.0	64.0	64.0	64.0	64.0	64.0
FISH OIL, REFINED, ALKALI, TANKS, NEW YORK	27.0	27.0	27.0	27.0	27.0	27.0
GLYCERINE, SYNTHETIC, REFINED, 99.5 PERCENT, TANKS, DELIVERED, NEW YORK	50.3	50.3	50.3	50.6	51.8	51.8
GLYCERINE, NATURAL, REFINED, U.S.P., 99 PERCENT, TANKS, DELIVERED, NEW YORK	48.6	48.6	48.6	49.0	50.0	50.0
GREASE, A WHITE, TANK CARS, DELIVERED, CHICAGO	23.5	23.5	23.5	21.0	21.3	21.9
GREASE, B WHITE, DELIVERED, CHICAGO	21.9	23.8	23.2	20.2	21.5	20.4
GREASE, YELLOW, DELIVERED, CHICAGO	20.4	24.0	21.4	18.0	18.0	17.0
GREASE, WHITE, CHOICE, TANKS, NEW YORK	25.0	25.2	24.3	21.9	22.2	21.5
LARD OIL, EXTRA NO. 1, DRUMS, CHICAGO	27.0	38.5	38.5	38.5	38.5	38.5
LARD, LOOSE, TANK CARS, CHICAGO	25.1	29.8	26.8	---	---	---
LARD, PRIME STEAM, TIERCES, CHICAGO	25.4	25.4	25.4	---	---	---
LARD, REFINED, 1 AND 2-POUND PRINTS, CHICAGO	39.5	44.0	41.3	40.0	41.5	40.0
LECITHIN, EDIBLE, TECHNICAL, BLEACHED, DRUMS, WORKS	29.5	29.5	29.5	29.5	29.5	29.5
LINSEED OIL, RAW, TANK CARS, MINNEAPOLIS	24.0	24.0	30.0	30.0	30.0	30.0
LINSEED OIL, RAW, TANKS, NEW YORK	28.5	30.5	32.1	32.5	33.8	34.5
MARGARINE, COLORED, DELIVERED, EASTERN UNITED STATES	53.5	55.1	54.6	54.2	55.4	56.0
MARGARINE, YELLOW, QUARTERS, F.O.B., CHICAGO	42.3	41.4	40.6	41.1	42.6	42.3
MARGARINE, WHITE, DOMESTIC VEGETABLE, CHICAGO	50.5	49.8	48.9	49.3	51.2	51.2
MENHADEN OIL, CRUDE, TANKS, F.O.B., BALTIMORE	15.0	24.0	25.5	26.0	20.0	20.0
MENHADEN OIL, LIGHT PRESSED, TANKS, NEW YORK	---	---	---	---	---	---
OITICICA OIL, DRUMS, F.O.B., NEW YORK	60.5	60.5	60.5	60.5	60.5	60.5
OITICICA OIL, TANKS, NEW YORK	56.0	56.0	56.0	56.0	56.0	56.0
OLIVE OIL, IMPORTED, EDIBLE, DRUMS, NEW YORK	83.3	83.3	83.3	83.3	83.3	83.3
PALM KERNEL OIL, CIF, BULK, U.S. PORTS	42.8	42.8	42.8	42.8	42.8	42.8
PALM OIL, CIF, BULK, U.S. PORTS	31.1	31.2	31.5	32.1	33.6	31.5
PEANUT OIL, CRUDE, TANK CARS, F.O.B., SOUTHEAST MILLS	37.9	40.9	41.2	36.5	39.0	37.0
PEANUT OIL, REFINED, TANKS, NEW YORK	45.5	47.8	48.6	45.4	46.1	44.3
RAPESEED OIL, REFINED, DENATURED, TANKS, NEW YORK	39.0	39.0	39.0	39.0	39.0	39.0
SAFFLOWER OIL, TANKS, NEW YORK	41.5	41.5	41.5	41.5	41.5	---
SAFFLOWER OIL, EDIBLE, DRUMS, NEW YORK	52.0	52.0	52.0	52.0	52.0	---
SESAME OIL, REFINED, DRUMS, NEW YORK	126.0	126.0	126.0	126.0	126.0	126.0
SHORTENING, ALL VEGETABLE, HYDROGENATED, 440-POUND DRUMS, NEW YORK	42.3	42.8	41.3	42.0	44.5	47.0
SOYBEAN OIL, CRUDE, TANK CARS, F.O.B., DECATUR	26.9	26.7	27.8	27.4	29.1	29.2
SOYBEAN OIL, REFINED, TANKS, NEW YORK	33.0	31.8	31.6	32.7	34.3	34.7
TALL OIL, CRUDE, TANKS, WORKS	7.8	7.8	7.8	7.8	7.8	7.8
TALLOW, EDIBLE, LOOSE, CHICAGO	26.0	30.0	29.0	26.0	27.0	26.0
TALLOW, INEDIBLE, PACKERS' PRIME, C.A.F., DELIVERED, CHICAGO	22.9	24.8	24.1	21.7	22.8	22.4
TALLOW, INEDIBLE, BLEACHABLE FANCY, DELIVERED, CHICAGO	25.6	26.2	26.1	23.3	25.3	23.9
TALLOW, INEDIBLE, NO. 1, DELIVERED, CHICAGO	21.4	22.6	20.7	17.6	18.6	17.4
TUNG OIL, IMPORTED, DRUMS, F.O.B., NEW YORK	67.9	69.0	69.0	69.0	69.0	69.0
TUNG OIL, IMPORTED, TANKS, NEW YORK	118.5	118.5	118.5	118.5	118.5	118.5

1/ INCLUDES 1 CENT IMPORT DUTY.

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FOS-297 OCTOBER 1979

OUTLOOK CONFERENCE SET FOR NOVEMBER 5-8

Agriculture in a World Setting is the theme of USDA's 56th annual Food and Agricultural Outlook Conference to be held in Washington, D.C., November 5-8, 1979.
Proceedings will focus on world agricultural production and trade prospects, the general economy, farm and food policy, nutrition, and the outlook for major U.S. commodities.
The oilseed session will be held on Wednesday, November 7, at 1:45 p.m.
For a preliminary program or other information, call (202) 447-3050, or write:

Sally Michael
Outlook '80
Room 3506 South
U.S. Department of Agriculture
Washington, D.C. 20250

Note: Registered participants at last year's outlook conference will automatically receive a preliminary program and other conference information.